



**Fw: BoS hearing, October 1, 2013**

**Board of Supervisors** to: cr\_board\_clerk Clerk Recorder  
Sent by: **Cytasha Campa**

09/27/2013 08:23 AM

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/27/2013 08:23 AM -----

From: "Jim Mills/Beth Myers" <Jim@millsgeological.com>  
To: <darnold@co.slo.ca.us>  
Cc: "BoardofSups@co.slo.ca.us", "fmecham@co.slo.ca.us", "ahill@co.slo.ca.us",  
"bgibson@co.slo.ca.us", <ccampa@co.slo.ca.us>  
Date: 09/27/2013 08:10 AM  
Subject: BoS hearing, October 1, 2013

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Dear Ms. Arnold,

Please listen to the voices of so many of your constituents in the rural North County who are begging you to give us more time to find adequate solutions to the dire water situation facing our community.

If, one day in the future, there were to be a collapse of real estate values, in addition to more pain and suffering and worry on the part of homeowners here, it seems to us that you might then regret a "no" vote to extend this moratorium until such time that reasonable solutions can be found.

There is a feeling among many in this area that our very lifestyles and futures are being mortgaged as the water scare takes over our thoughts, conversations, dreams. Please vote YES to extend the Urgency Ordinance and give us all time to develop plans for a future that includes residential water. It is a matter of conscience, don't you agree?

Sincerely,

Jim Mills and Beth Myers

Creston, California 93432



**To:** BOS\_Legislative Assistants, cr\_board\_clerk Clerk Recorder/ClerkRec/COSLO@Wings,  
**Cc:**  
**Bcc:**  
**Subject:** Fw: Contact Us (response #2435)  
**From:** Board of Supervisors/BOS/COSLO - Friday 09/27/2013 04:31 PM  
**Sent by:** Cytasha Campa/BOS/COSLO

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/27/2013 04:31 PM -----

**From:** "Internet Webmaster" <webmaster@co.slo.ca.us>  
**To:** "BoardOfSups@co.slo.ca.us" <BoardOfSups@co.slo.ca.us>  
**Date:** 09/27/2013 11:10 AM  
**Subject:** Contact Us (response #2435)

### Contact Us (response #2435)

#### Survey Information

Site:	County of SLO
Page Title:	Contact Us
URL:	<a href="http://www.slocounty.ca.gov/bos/BOSContactUs.htm">http://www.slocounty.ca.gov/bos/BOSContactUs.htm</a>
Submission Time/Date:	9/27/2013 11:09:30 AM

#### Survey Response

Name:	steve crouch
Telephone Number:	
Email address:	<a href="mailto:srcrouch9@gmail.com">srcrouch9@gmail.com</a>
Comments or questions (8,192 characters max):	Greetings Supervisors, Thank you for passing the urgency ordinance and I hope you will continue it for the two full years. I attended last week's Blue Ribbon Committee and saw great progress of all interested parties working together toward solutions. They need your support by continuing the urgency ordinance. Tuesday I will be picking grapes for a well known and responsible winery. It's great wines are responsible in part for putting Paso Robles in a good light and attracting tourism. I hope your actions on Tuesday will do the same. Thank You for Your Service Steve Crouch



**Fw: Update list of failed wells**

**Cytasha Campa** to: cr\_board\_clerk Clerk Recorder

09/30/2013 08:06 AM

Kindest regards,

**Cytasha Campa**

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 08:06 AM -----

From: "Mike Neiggemann" <miken@gotsky.com>  
To: <darnold@co.slo.ca.us>, <fmecham@co.slo.ca.us>, <bgibson@co.slo.ca.us>, <ahill@co.slo.ca.us>  
Cc: <ccampa@co.slo.ca.us>  
Date: 09/30/2013 07:23 AM  
Subject: Update list of failed wells

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Dear Supervisors. I appeared at the August 27 meeting and presented to you a list of failed wells within the boundaries of the Paso Robles Groundwater Basin. I am pleased to forward for your information an updated list which I have confirmed. It contains the general locations of 46 wells that have dried up, most of them very recently and most of them very near irrigated vineyards. In addition, I have confirmed 41 wells that are very near the point of failure. There are many more reports of failed wells that I have yet to confirm.

I am continuing to update the list as I can confirm the reports that I receive and will pass the information along to you.

I wish this information entered into the record as you consider the extension of the emergency ordinance governing the future of the Groundwater Basin. It is essential that this extension take place to begin the process of aquifer restoration and long term management. Please step out boldly to demonstrate that you intend to protect the interests of all vested overlies, especially those individual landowners who are faced with unrecoverable costs of drilling new wells. Thank you.

Mike Neiggemann



-Mike Neiggemann    October 1 well report.doc

# Interim Report Dry Wells October 1, 2013

<u>Street</u>	<u>Approx. date went dry</u>	<u>How rectified</u>
Lone Pine	2013	Drilled deeper
Lone Pine	2013	Drilled deeper
Lone Pine	2013	Drilled deeper
Moon Valley	2013	Drilled deeper
Moon Valley	2013	Drilled deeper
Prancing Deer	2013	Drilled deeper
Forked Horn	2008	Drilled deeper
Almond Drive	6/2013	New well 7/2013
Geneseo Road	6/2013	Waiting for rig
Iverson Place	2006	New well
Baggins Hill Road	7/2013	Waiting for rig
Venice Road	2011	New well
Almond Drive	6/2013	Trying to finance
Moon Valley	7/2013	Filling tank via neighbor
Jardine Road	2013	Trucking water
Jardine Road	2013	New well
Whispering Oaks	2013	New well
Whispering Oaks	2011	New well
Whispering Oaks	2011	New well
Moon Valley	6/2013	Trying to finance
Almond	6/2013	New well
El Pomar	8/2013	Waiting for rig/trucking
Baggins Hill Road	2007	New well
Baggins Hill Road	2007	New well
Overhill Lane	2007	New well
Overhill Lane	2007	New well
Overhill Lane	2007	New well
Union Road	2011	New well
Union Road	2013	New well
Shale Rock Road	2013	Hose from neighbor
Geneseo	2013	Trucking water
South El Pomar	2006	New well
Almond Drive	5/2013	New well

**(Dry wells, continued)**

Baggins Hill	2/2013	New well
Spring Creek	7/2013	New well
Highgrove	2012	Drilling now
Highgrove	7/2013	New well
Hollyhock	7/2013	New well
Almond Drive	2012	Tapped old well
Union Road	8/2013	Waiting for driller
Spring Creek	8/2013	New well
South El Pomar	2008	New well
South El Pomar	2011	New well
Almond Drive	8/2013	Connect to unused well
South El Pomar	2012	New well
La Panza	8/2013	Waiting for driller

**46 Dry wells, and more to be verified**

## Pumps Lowered, and Problems

<u>Street</u>	<u>Last Lowered</u>	<u>At Bottom? Comments</u>
Geneseo Road	8/2009	
Deer Creek Way	7/2013	
Forked Horn Place	2012	
Chardonnay Place	8/2007	Within 20 feet
Spring Creek	9/2012	
Golden Bridle Lane	?	
Whispering Oak	2011	At bottom
Deer Creek Way	2007	At bottom
Whispering Trails Place	10/2001	Within 20 feet
Iverson Place	2004	
Settlers Place	2010	At bottom
Almond Drive	2007	At bottom
Moon Valley Way	7/2013	At bottom
Farousse Way	9/2011	
La Panza	2013	Expects to go dry
Shirdon Place	2012?	Low as possible
O'Donovan Road	2013?	At bottom
Blue Moon Road	2012	
Cerros Pioneros Way	2013	
Peppertree	?	At bottom, trickle
Silverado Place	2011	At bottom
Shale Rock Road	2012	20' from bottom
Shale Rock Road	?	Pump at bottom
Iverson Place	?	Pump at bottom
Hwy 229	9/2013	Near bottom
Cerros Pioneros Way	8/2013	Monitoring level
Shale Rock Road	2013	Dirt in water
Shale Rock Road	2013	Pump at bottom
Jardine	2013	Near bottom
Wild Horse Place	8/2013	Rate at 5 GPM
Geneseo	2013	Near bottom
Tower Road	2013	Dropped pump
Deer Creek	2013	Near bottom

Lone Pine	2013	Near bottom
Forked Horn Place	2013	Lowered twice
Champagne Lane	2013	Dropped pump
Chaparral Road	2013	Near bottom
Plane View Pl	8/2013	Dropped pump
Whispering Oak	7/2006	Dropped pump
Overhill Lane	2012	Near bottom
Union Road	8/2013	Near bottom

## **41 problem wells, and more to be verified**



**Fw: CAB letter on Types of Water Districts**  
**Cytasha Campa** to: cr\_board\_clerk Clerk Recorder

09/30/2013 08:22 AM

Kindest regards,

## Cytasha Campa

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 08:22 AM -----

From: Jim Wortner <jawortner@gmail.com>  
To: "ahill@co.slo.ca.us" <ahill@co.slo.ca.us>, "bgibson@co.slo.ca.us" <bgibson@co.slo.ca.us>, "fmecham@co.slo.ca.us" <fmecham@co.slo.ca.us>, "ccampa@co.slo.ca.us" <ccampa@co.slo.ca.us>, "darnold@co.slo.ca.us" <darnold@co.slo.ca.us>  
Cc: Jim Wortner <jawortner@gmail.com>, Michelle Wortner <michellewortner@gmail.com>  
Date: 09/29/2013 04:16 PM  
Subject: Fwd: CAB letter on Types of Water Districts

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Dear Supervisors:

The attached communications and position from CAB does not represent a consensus view in the Creston community. As small local farmers, we do not support the draconian water controls outlined by CAB in the attached communications.

We are property owners near Creston. The current moratorium on planting agriculture and the proposed restrictions negatively impact our plans to build out our business - Creston Estate Farm & Vineyards established in 2009. We had planned to plant 8 acres of wine grapes and 4 acres of olive trees prior to the August 27 planting/water restrictions.

Unfortunately, the current restrictions prevent us from expanding our business. The proposed CAB restrictions outlined in the attached, will stop our small farm bushiness plans. These actions will limit agriculture in the North County, jobs, business and the economy. The CAB position if implemented, will stop small local farming businesses like ours.

We are not alone as small farm owners. The CAB does not represent all land owners nor the community in Creston. CAB was not elected. We do not support the CAB recommendations. This is a vocal activist group and while CAB has a point-of-view it does not represent the entire community.

We encourage you as an elected Supervisor to incorporate the small local farmer and not just the CAB position in your consideration of this ground water issue on October 1.

Thank you.

Jim and Michelle Wortner

P. O. Box 609  
Creston, CA 93432

[jawortner@gmail.com](mailto:jawortner@gmail.com)

----- Forwarded message -----

From: **Sheila Lyons** <[salyons@airspeedwireless.net](mailto:salyons@airspeedwireless.net)>

Date: Fri, Sep 27, 2013 at 4:56 PM

Subject: CAB letter on Types of Water Districts

To: [ahill@co.slo.ca.us](mailto:ahill@co.slo.ca.us), [bgibson@co.slo.ca.us](mailto:bgibson@co.slo.ca.us), [fmecham@co.slo.ca.us](mailto:fmecham@co.slo.ca.us), Cytasha Campa <[ccampa@co.slo.ca.us](mailto:ccampa@co.slo.ca.us)>, "Darnold@Co. Slo. Ca. Us" <[darnold@co.slo.ca.us](mailto:darnold@co.slo.ca.us)>

Dear Supervisors,

Please find enclosed a letter from the Creston Advisory Body (CAB) in District #5 of San Luis Obispo County on the topic of water management structures and the recommendations of our community on this subject. We understand that this may be one topic of discussion at the B of S meeting on Oct. 1 (Agenda Item #13) and wanted you to have our comments for consideration.

Thank you for giving this subject your most serious attention,

Sheila Lyons

CAB Chairperson



Letter from CAB to BofS re types of water districts 9-25-13.doc

# **Creston Advisory Body Communication**

Chairperson: Sheila Lyons, 8

, P.O. Box 174 Creston CA 93432, [salyons@airspeedwireless.net](mailto:salyons@airspeedwireless.net)

Sept 25, 2013

San Luis Obispo County Board of Supervisors  
County Government Center  
Sand Luis Obispo, CA 93408

Subject:: Types of governance structures/water districts  
Agenda Item #13, Board of Supervisors Meeting Oct. 1, 2013

Dear Supervisors,

The Creston Advisory Body (CAB) represents a large portion of the residents of the 5<sup>th</sup> District of San Luis Obispo County. It should be noted that the CAB is the only citizen advisory council overlying the Paso Robles Groundwater Basin that does not have a community water system. The community which CAB represents consists entirely of rural residents, many with small agricultural operations. Hence, we believe the opinions of CAB, and the citizens it represents, should be taken in strong consideration when evaluating the solutions necessary for addressing the current water crisis in the PR Basin.

The Creston Advisory Body (CAB) met on September 18, 2013 at the Creston Community Church for our monthly meeting. During our regularly scheduled agenda item "The Topic of Water" we conducted a town hall type discussion of potential water management structures. We began by listing the goals and expectations that we feel a management structure, or district should meet. Here is our final list:

1. The water district must encompass the entire PR Groundwater Basin with only a few exemptions such as communities with existing water delivery systems. We reject the idea of many new small community water systems as part of the solution. Rural residents already have wells and do not want to incur additional costs for infrastructure to create community water systems. We feel that in order for the district to be effectual, it needs to include all parts of the basin and consideration should be given to including the surrounding watersheds as well.
2. There is an urgency for adopting a water district whose focus will have an immediate impact on the declining water table. Therefore, we hope to see all parties working together to expedite the process of forming a water district that can accomplish this goal as soon as possible, before many more wells go dry and the quality of the remaining water diminishes beyond the point where it has the ability to recover.
3. Water for domestic use must be given highest priority as per State Water Code 106. Agricultural needs are secondary, with food crops having priority over alcohol.

4. The water district should develop a system for allocation of water that is fair and equitable, giving some water to all parcels of land regardless of usage. We feel that the allocations for different types of usage should be taken in to consideration thereby allowing existing activities the opportunity to continue to operate. The adoption of best management practices to achieve maximum conservation should be required by all commercial agricultural operations. New uses, for all types of development, created after Aug. 27, 2013, should be required to adhere to even stricter measures. A minimum of 1:1 offsets should be adopted as a permanent requirement for all new development.
5. The investigation for supplemental water sources should continue on a parallel track as the forming of a water district. Since the acquisition of supplemental water is years into the future this should be a secondary goal for the water district.
6. The water district should attempt to keep the costs for all land owners to a minimum. District formation and operation costs should be minimized. Pump taxes and other fees should be waived for those using less than a specified fixed amount of water per parcel.
7. Election of any Board of Directors to manage the water district should be conducted by voters who are registered voters who live over the Basin. Absentee ballots must be allowed. Members elected to the Board of Directors should live over the basin. A majority of the members should be rural residents as they make up a majority of the population living over the basin.
8. The water district should have the authority to impose impact fees on all new development of any kind, including the addition of new vineyards, to pay for water infrastructure costs.
9. There needs to be a system for aggressive enforcement and oversight of water district policies.
10. We are opposed to a California Water District (CWD) because it does not fairly represent the interests of the majority of the residents who live over the Paso Robles Groundwater Basin (PRGW Basin). A CWD would cede the power to manage the PRGW Basin to a select few based on influence and wealth.

Thank you for recognizing that a significant number of Basin stakeholders are represented by CAB and for this opportunity to comment on the options for a management structure.

Sincerely,  
Sheila Lyons  
CAB Chairperson

Cc: Kami Griffin, Acting Director of the SLO Planning and Building Dept.  
Paavo Ogren, Director of SLO Public Works Dept.  
Larry Werner, Chairperson of the Blue Ribbon Committee for PRGWM  
Felicia Marcus, Chairperson State Water Resource Control Board



**Fw: Extending the Urgency Ordinance**

**Cytasha Campa** to: cr\_board\_clerk Clerk Recorder,  
BOS\_Legislative Assistants

09/30/2013 08:24 AM

Kindest regards,

**Cytasha Campa**

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 08:23 AM -----

From: "James" <jpope805@charter.net>  
To: <ccampa@co.slo.ca.us>  
Date: 09/29/2013 02:13 PM  
Subject: Extending the Urgency Ordinance

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Dear Secretary of the Board,

I have sent the following message to each Supervisor and would like to have the message entered into record:

I am in favor of the Board of Supervisors extending the Urgency Ordinance in order to carefully study the problem and solutions to the serious overdraft of the Paso Robles Water Basin. I am a long time resident of Paso Robles and spent my career as an environmental advisor. I would like to see an intelligent and fair approach taken to arrest the overdraft for all of its users.

Respectfully,  
James E. Pope

Paso Robles



**Fw: Creston Advisory Body Letter on Extension of the Urgency Ordinance over the PR Groundwater Basin**

**Cytasha Campa** to: cr\_board\_clerk Clerk Recorder

09/30/2013 08:24 AM

Kindest regards,

**Cytasha Campa**

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 08:24 AM -----

From: "Sheila Lyons" <salyons@airspeedwireless.net>  
To: <ahill@co.slo.ca.us>, <bgibson@co.slo.ca.us>, <fmecham@co.slo.ca.us>, "Cytasha Campa" <ccampa@co.slo.ca.us>, "Darnold@Co. Slo. Ca. Us" <darnold@co.slo.ca.us>  
Date: 09/28/2013 08:53 AM  
Subject: Creston Advisory Body Letter on Extension of the Urgency Ordinance over the PR Groundwater Basin

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Please find enclosed a letter from the Creston Advisory Body (CAB) located in the 5<sup>th</sup> District of San Luis Obispo County on Item #14 of the Board of Supervisors Agenda for October 1, 2013, on the extension of the Urgency Ordinance over the PR Groundwater Basin.

Thank you for your attention to this matter,

Sheila Lyons



CAB Chairperson

CAB on Urgency Ordinances B of S Sept 27, 2013 locked.doc

# Creston Advisory Body



Chairperson: Sheila Lyons

P. O. Box 174 Creston, CA 93432 salyons@airspeedwireless.net

September 26, 2013

San Luis Obispo County Board of Supervisors  
County Government Center  
San Luis Obispo, California 93408

RE: Item #14, Renewal of Urgency Ordinance over the Paso Robles Groundwater Basin and the definition/clarification of "Vested Rights", Oct. 1, 2013 Board of Supervisors Agenda

Dear Supervisors,

The Creston Advisory Body (CAB) met on September 18, 2013 at the Creston Community Church for a regularly scheduled meeting. During our standing agenda item "The Topic of Water" we discussed the Urgency Ordinance currently in effect over the Paso Robles Groundwater Basin (Basin) and whether it should be extended. We also tackled the definition of "vested rights." We conducted these discussions in a town hall type forum in order to hear from all present, advisory council members and the public, allowing for free and open opinions to be expressed. The diversity of our council members and meeting attendees (rural residents, agriculturalists and small business owners) gives us a broad perspective on the issues.

We reviewed the criteria set forth in the final version of the Urgency Ordinance before opening the topic for discussion. The following comments were made during the subsequent discussion:

1. The adoption of the Urgency Ordinance (UO) on Aug. 27, 2013 was a step in the right direction; however 45 days is not enough to have an impact. The watering down, and removal of some of the "teeth" originally proposed in the UO, makes it all the more important that the remaining restrictions on new water uses be retained by extending the UO for the full two years. Even more ground (water) could be lost without this important validation of the urgency of the situation.
2. The extension of the UO does not mean that nothing can be planted or built. It simply means that new water uses must be offset (1:1) so as not to increase the depletion of the Basin. This is the morally and ethically correct thing to do.
3. A two year "time out" will allow the stakeholders over the Basin to come to a consensus for how to move forward with a management structure. The UO has been instrumental in bringing the stakeholders to the table and extension of the UO will keep the momentum going. It is our understanding that all the major stakeholders who have been speaking out on the water issue are in favor of this extension.
4. People have complained and asked why the Board of Supervisors (B of S) has not done something before now. The B of S members have shown their willingness to act now with the adoption of the UO. They need to show their constituents that they intend to continue taking steps to tackle this tough issue. Extension of the UO will do this and help calm some of the fears.
5. As stated in prior letters, we continue to believe that the definition of "vested rights" as it pertains to agriculture, vineyards in particular, needs to be plants in the ground on Aug. 27, 2013. There is never a good time to impose restrictions. There are always going to be people caught in the middle. We recognize that businesses may have put forth substantial investments but so have rural residents. The rural residents should not suffer at the expense of "future" plantings. Rural residents are already here.

One CAB member compared this situation to the example of when the Air Pollution Control Board put restrictions on businesses that use large equipment and trucks, requiring them to lower emission standards on their vehicles. Many small businesses could not afford to replace their fleet and suffered the consequences. Why should we treat these agriculturists any different?

Another CAB member commented that these agriculturists knew there was a water problem over this basin prior to them making their business plans. Why is their bad business decision our problem?

The definition of vested rights needs to be a clear one. There should be no blurring of the line. A clear definition would remove the perception that some agriculturists are being treated different than others and give the public more trust in the process.

All petitions for exemption from the UO under the claim of prior vested rights should be assessed in a public forum allowing for public comment and demonstration of equitable application of the criteria for approving vested rights. Denial of vested rights does not mean that plantings can not occur. It simply means that the 1:1 offsets must be met before moving forward.

6. Many questions were asked about the continued activities being witnessed in our community. There are lands being ripped, irrigation pipe being laid, and stakes going in the ground. There is a worry that the rush to plant will resume with many hundreds, maybe even thousands, of un-irrigated acres being converted to irrigated acres resulting in further decline of the basin....and many many more rural residential wells going dry. It has got to stop.

In Summary: The members of the CAB and the attending public were in full agreement that the Urgency Ordinance should be extended for the full two years. The definition of vested rights needs to be clear and unambiguous. We believe "plants in the ground as of Aug. 27, 2013" is such a definition.

The CAB representatives voted unanimously (all 7 of the 10 elected members present) to recommend that the County extend the Urgent Ordinance for the full two years.

Sincerely,  
Sheila Lyons  
CAB Chairperson

Cc: Supervisors Debbie Arnold, Frank Mecham, Adam Hill & Bruce Gibson  
Planning & Building Department, Kami Griffin, James Caruso, Nick Forester  
Ken Harris, Executive Officer Central Coast Regional Water Quality Control Board



**Fw: CAB letter on Types of Water Districts**  
**Cytasha Campa** to: cr\_board\_clerk Clerk Recorder

09/30/2013 08:24 AM

Kindest regards,

**Cytasha Campa**

Board Secretary

Board of Supervisors

San Luis Obispo County

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Date: 09/27/2013 04:56 PM  
Subject: CAB letter on Types of Water Districts

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Dear Supervisors,

Please find enclosed a letter from the Creston Advisory Body (CAB) in District #5 of San Luis Obispo County on the topic of water management structures and the recommendations of our community on this subject. We understand that this may be one topic of discussion at the B of S meeting on Oct. 1 (Agenda Item #13) and wanted you to have our comments for consideration.

Thank you for giving this subject your most serious attention,

Sheila Lyons



CAB Chairperson      Letter from CAB to BofS re types of water districts 9-25-13.doc

# **Creston Advisory Body Communication**

Chairperson: Sheila Lyons,

, P.O. Box 174 Creston CA 93432, [salyons@airspeedwireless.net](mailto:salyons@airspeedwireless.net)

Sept 25, 2013

San Luis Obispo County Board of Supervisors  
County Government Center  
Sand Luis Obispo, CA 93408

Subject:: Types of governance structures/water districts  
Agenda Item #13, Board of Supervisors Meeting Oct. 1, 2013

Dear Supervisors,

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Thank you for recognizing that a significant number of Basin stakeholders are represented by CAB and for this opportunity to comment on the options for a management structure.

Sincerely,  
Sheila Lyons  
CAB Chairperson

Cc: Kami Griffin, Acting Director of the SLO Planning and Building Dept.  
Paavo Ogren, Director of SLO Public Works Dept.  
Larry Werner, Chairperson of the Blue Ribbon Committee for PRGWM  
Felicia Marcus, Chairperson State Water Resource Control Board



**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 10:31 AM

**Debbie Arnold**  
Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 10:31 AM -----

From: "Jim Smith" <jmmsmith229@gmail.com>  
To: "Adam Hill, District 3" <ahill@co.slo.ca.us>, "Bruce Gibson, District 2" <bgibson@co.slo.ca.us>, "Debbie Arnold, District 5" <darnold@co.slo.ca.us>, "Frank Mecham, District 1" <fmecham@co.slo.ca.us>, "Ron Alsop, Co. Emgr. Serv. Mgr." <ralsop@co.slo.ca.us>  
Cc: "Glenn Marsh" <glenn5@me.com>, "harold Leister" <grits2@verizon.net>, "J Jones" <jjones@cuesta.edu>, "John Crippen" <JohnCrippenPhotography@gmail.com>, "Brian M" <medvedoff@charter.net>, "Dayla Clark" <nsudckc@aol.com>, "Lou Phillips" <blstand11@yahoo.com>, "Mike Teehee" <mteehee@gmail.com>, "Richey" <rlichey@bak.rr.com>, "Stephanie Reed" <steph@4roundpeg.com>, "Sue Luft" <info.prowaterequity@gmail.com>, "Umily Hoang" <umilyhoang@hotmail.com>  
Date: 09/27/2013 07:40 PM  
Subject: Many wells having problems out here, please help.

---

Hi all,

Please could you all help with this water problem. I live in Independence Ranch area and am witnessing one house after another having to lower their water pumps. The wells are only so deep as you know and the drinkable water table only so deep. We had to lower our well, and every house surrounding me has done the same, that makes four.

As I am hearing the Wine Growers are especially culpable for the water table dropping.

We have always struggled to survive and get ahead. We are by no means wealthy just working people with a miserable 401k, a home, a few pets and a Mortgage that will be paid off when I get to around 85, no kidding. What I am getting at is that if the water is gone so is all we have struggled for, we won't be able to sell the place and we won't be able to afford to truck water in. So the house goes and so does the miniscule equity we have built up.

Now these Wineries are big business with tens to hundreds of millions of dollars invested. I do believe they did water sustainably studies before they invested that money. What were they thinking? I mean they must have foreseen problems down the road concerning water. I suspect that they like big oil or big anything simply left out or their equation any concern for residents or worse adopted the attitude F. them, profit is all.

Fine, that is capitalism. But we worker bees have people elected to protect the society in general and they make laws and such, we pay taxes to support the whole thing. As I understand Ca. law says water goes to residents first, agriculture second and others last. (Is wine production even agriculture by definition?).

So please for all residents concerned including Paso City and all the surrounding areas stop the wineries from making obscene profits at the cost of other people's homes and lives.

Please take the time to read the attachment it was on my mailbox a week ago, people are upset.

Thank You

Jim Smith



C\_\_Users\_Jim Smith\_Desktop.pdf

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 10:31 AM -----

From: "Jim Smith" <jmmsmith229@gmail.com>  
To: "Brian M" <medvedoff@charter.net>, "Dayla Clark" <nsudckc@aol.com>, "Glenn Marsh" <glenn5@me.com>, "harold Leister" <grits2@verizon.net>, "Jenny Marsh" <imjennifert@gmail.com>, "John Crippen" <JohnCrippenPhotography@gmail.com>, "Lou Phillips" <blstand11@yahoo.com>, "Mike Teehee" <mteehee@gmail.com>, "Richey" <rlichey@bak.rr.com>, "Stephanie Reed" <steph@4roundpeg.com>, "Sue Luft" <info.prowaterequity@gmail.com>, "Umily Hoang" <umilyhoang@hotmail.com>, "Adam Hill, District 3" <ahill@co.slo.ca.us>, "Bruce Gibson, District 2" <bgibson@co.slo.ca.us>, "Debbie Arnold, District 5" <darnold@co.slo.ca.us>, "Frank Mecham, District 1" <fmecham@co.slo.ca.us>, "Ron Alsop, Co. Emgr. Serv. Mgr." <ralsop@co.slo.ca.us>  
Date: 09/27/2013 07:47 PM  
Subject: FW: Many wells having problems out here, please help.

---

This will have a much more dramatic effect if you read the right attachment.

So please read this one instead.

Have a good week.

Jim

**From:** Jim Smith [mailto:jmmsmith229@gmail.com]  
**Sent:** Friday, September 27, 2013 7:40 PM  
**To:** Adam Hill, District 3; Bruce Gibson, District 2; Debbie Arnold, District 5; Frank Mecham, District 1; Ron Alsop, Co. Emgr. Serv. Mgr.  
**Cc:** Glenn Marsh; harold Leister; J Jones (jjones@cuesta.edu); John Crippen (JohnCrippenPhotography@gmail.com); Brian M (medvedoff@charter.net); Dayla Clark (nsudckc@aol.com); Lou Phillips; Mike Teehee; Richey; Stephanie Reed; Sue Luft (info.prowaterequity@gmail.com); Umily Hoang  
**Subject:** Many wells having problems out here, please help.

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So please for all residents concerned including Paso City and all the surrounding areas stop the wineries from making obscene profits at the cost of other people's homes and lives.

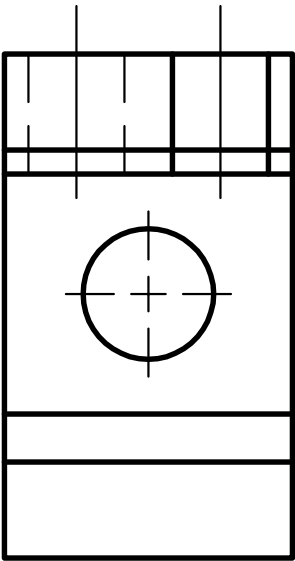
Please take the time to read the attachment it was on my mailbox a week ago, people are upset.

Thank You

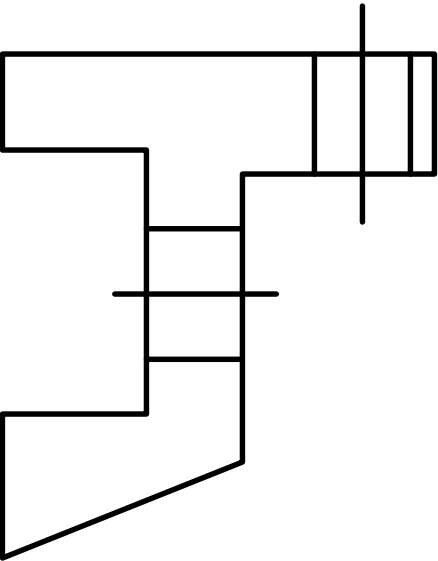
Jim Smith



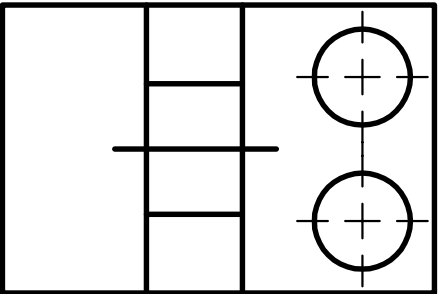
Scan.pdf



TOP



FRONT



R. SIDE

GRADE:	TITLE: 9FF4????		
NAME: VEEVEE			
INST: JEFF JONES	CLASS: ENGR226	COLLEGE: CUESTA	
DATE: FEB 27	SCALE: F3F3	SECTION: SHEET: 1/1	

## A Small Land Owner's Perspective on Water, Wine, Property Rights and Politicians

Our local vineyards struggled for years to produce enough income to stay open, and to their credit, achieved an enviable reputation in quality that others in the wine world would like to have. This is now; the motivating factor the "big wine corporations" moved here to take advantage of.

The old local vineyards used much less water per vine than is the current practice, and as a result, the grapes were small, yielding only about two tons per acre. However, the taste, flavor and quality of their products are greater. It will be tragic if this reputation, which took years to establish, is pushed aside by the high volume wineries that intentionally push millions of gallons of water onto their vines so as to increase the size of the grapes they produce. This, in turn, increases their harvest to 12 ½ to 17 tons, or more, per acre.

*This is now where our mutual water problems lie.*

(This is the lie the giant corporations don't want you to know)

Their dirty little wet secret is...

- MORE WATER = LESS QUALITY
- MORE WATER = BIGGER GRAPES
- MORE WATER = MORE GRAPES
- MORE WATER = MORE WINE
- MORE WATER = MORE PROFITS
- MORE WATER = MORE CONTROL

The old law of supply and demand is constant and unchanging and we are **all** up against it now and unfortunately it won't budge.

It can be said there are many 'villains' in all of this:

Old politicians who gave away SLO County water to Monterey County.

Many new people moving here.

Giant Corporate Wineries who are even now overplanting more grapes, grapes, grapes.

New Politicians who can't seem to make decisions directed toward an uncertain future.

The list goes on and on. Hopefully there will be some heroes as well. Folks who will help their neighbors as best they can when, next door, a well runs dry. Then perhaps your next door neighbor will be a hero when your well runs dry in the next 36 months or so. Prepare for

it! Chances are very good it will happen because there is no good quick solution to all this short of all of us getting down on our knees and doing a whole lot of praying for a real wet winter and a whole lot less current use of everyone's ground water.

The estimated daily water use for a family of four is around 300 gallons a day.

One week = 2,100 gallons of water

One month = 8,400 gallons of water

One year = 100,800 gallons of water

Take the time to estimate your family's water use and compare that with our understanding of one year of the newer vineyards. I recall the old standard was seven gallons of water per vine per week. The new vineyard standard seems to be between 25 and 36 gallons of water per vine per week. So, to be fair, let's use the lower figure of 25 gallons. The new normal now is to plant 900 vines on one acre.

You do the math:

For one acre of grapes per week = 22,500 gallons of water

For one acre of grapes per month = 90,000 gallons of water

For one acre of grapes per year = 1,080,000 gallons of water

Is that right; over a million gallons of water per year? Per acre?

Is this where all the water is going?

- In the coming weeks and months how many families wells will go dry?
- How many Families will lose their homes?
- And how many acres of new grapes will be responsible?
- Can someone answer these questions?

After living here for 39 years with no problems, my well recently went dry, but just down the road are millions of new grape vines sitting on hundreds of thousands of newly planted acres- Sucking up Millions of Gallons of ground water. Are all our water rights now yours? What is it about Supply and Demand you BIG CORPORATIONS don't understand? There IS NO SUPPLY, yet you keep demanding ALL THAT'S LEFT!

Look in the mirror.....Are you the **heroes** or the **villains**?

Submitted by 77 year old; Chris Ivey



**Fw: October 1, 2013 BOS Meeting**  
**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 10:40 AM

**Debbie Arnold**  
Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 10:40 AM -----

From: Jolesnanik@aol.com  
To: darnold@co.slo.ca.us, fmecham@co.slo.ca.us, ahill@co.slo.ca.us, bgibson@co.slo.ca.us, ccampa@co.slo.ca.us, BoardofSupps@co.slo.ca.us  
Cc: info.prowaterequity@gmail.com  
Date: 09/28/2013 05:33 AM  
Subject: October 1, 2013 BOS Meeting

---

To all concerned:

I request that this email be entered into the record for the Board of Supervisors meeting to be held on Tuesday, October 1, 2013.

My name is Jim Olesnanik. I am a rural resident of Templeton. Other than being a member of several wine clubs, I have no connection with any vineyard, nor do I have a bias either for or against them.

The water crisis that we are experiencing has unfortunately been positioned as the rural residents vs. the vineyards. I say unfortunate because I don't believe the vineyards caused the problem. While it may be true that the vineyards use 67% of the water drawn from the Basin I believe the cause of the problem is the Board of Supervisors and the County of San Luis Obispo. The County has been monitoring the water levels in the Paso water basin for, as some have stated, almost half a century. As early as 1981 there was knowledge that some portions of the Basin showed signs of decline. Most recently, in the past 10 years reports indicate a decline in the Basin of anywhere from 70 ft. to in excess of 100 ft.

One should ask themselves....Why would the County monitor the water levels in the Basin? I think the answer simply is that there, at one time, existed the belief that there was an endless supply of water available to those who resided over the Basin. The County has the responsibility overseeing and directing growth and needed to insure that decisions made, in this effort, did not negatively impact the available water supplies. That being the case there would have, or should have, been in place a mechanism by which the BOS could take action to avoid the very kind of situation we find ourselves in today. The monitoring was in place, the signs were all there, but no action took place. At least 10 to 15 years ago there should have been controls placed on agricultural and construction growth as efforts were made to secure incremental sources of water. That doesn't mean that the County would have had to stop the growth but merely insure that demand didn't exceed supply.

In 2003 Mr Mecham participated in a review of the Paso Water Basin. That review, from what I read of Mr. Mechams own account, accomplished only one thing.....that the Estrella/El Pomar area was an area of concern. Again, in 2006 Mr. Mecham participated in a follow up review of the Basin. And again, the only thing that was accomplished was to confirm that the Estrella/El Pomar area was vulnerable. These reviews were performed because the Basin monitoring clearly reflected that the water levels were in decline, yet nothing concrete was accomplished. The Estrella/El Pomar area was identified as an area of concern, not once but in both Basin studies, yet the area has been the recipient of massive vineyard plantings with multiple deep wells and, from what I have been told by sources from other wineries, a number of enormous agricultural ponds. If the only constructive thing to come out of two separate and specific meetings was to identify the area as one that could have significant future water problems, why

was this vineyard allowed to even be started? In June, 2011 the County issued a report on the Paso Water Basin which, in part, stated that the County had complete records of the 8,000 plus wells that existed in the North County. It stated, among other things, that they knew the depth of each well and the exact GPS location. So, the County was monitoring the water levels of the Basin and knew it was in decline. The County not only identified a specific area of concern but had very detailed information on each and every well drilled in the North County. Therefore, the County was in the position and possessed the knowledge to identify, in advance, the individual wells that would go dry. It was not sudden or unexpected.....it is all happening with detailed information and knowledge.

The Urgency Ordinance. It was my understanding that the Urgency Ordinance was to impact the water drawn from the Basin NOW! It doesn't do that. What it does is reduce the size of the future increase in water use. So with everything else remaining unchanged, the Basin will continue in decline at the same or greater rate than in the past year. So more wells will be going dry and more families will be suffering both financially and emotionally. Since you already know what wells will be in jeopardy you should contact the land owners individually to alert them.

We definitely need the Urgency ordinance to be continued but we need much more. While we certainly have suffered because of the drought of the last two years we all know that we haven't had a drought for the past 10 to 15 years. The drought has made it worse but it didn't do it all. It's about "straws".....too many and too long.

About "vested rights" of the vineyards. I'm disappointed that this is even in here. What about the "vested rights" of the rural homeowners who have lost their wells and are suffering financially. They have put a lot of time, money and hard work into their properties and the best you offer is maybe a low interest loan! You want to reward those who have performed extensive work at night, thinking they would not be detected, in order to establish the position that you would allow them to complete their planting efforts, while at the same time punishing the rural residents who are the innocent victims of your neglect and the "deep pockets" greed! The business climate has changed.....it happens. The businesses that are caught in the middle should suck it up and write off the cost of their experience. If, on the other hand, you decide to allow certain plantings to occur (and we know who that would be) then you should pay for the replacement of all wells which have gone dry. If businesses don't have to incur a cost related to the water problems then neither should the individuals.

I am hopeful that, at the Oct. 1 meeting we will have four votes for extending the ordinance although I am concerned that it will be 3 for and 1 opposed. My further guess is that it will be corrected at the Oct. 8 meeting with a vote of 4 for and 1 opposed.

I feel that somewhere along the line the BOS has lost sight of the real purpose of their role. By the vote of the citizens you each have been put in positions of trust. Speaking only for myself, I simply don't trust that your collective efforts are focused on what is best for the County, but instead what may be best for your respective political careers. Economic growth is a good thing. Uncontrolled growth may not be so good.

Jim Olesnanik



**Fw: extending the urgency water**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 10:41 AM

**Debbie Arnold**

Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 10:40 AM -----

From: larry carlson <lcarlson@wildblue.net>  
To: darnold@co.slo.ca.us  
Date: 09/28/2013 12:59 PM  
Subject: extending the urgency water

---

Dear Debbie, Thank you for voting for the urgency ordinance. We are counting on you to vote for the extension. We are all affected by the declining availability of water from the basin. As I am sure you would agree that 45 days is a good start for plans to manage the basin, but more time is needed to assure that there is water for everyone. The shortage of water has affected all of us and has resulted in considerable sacrifices. The sacrifices should be considered when the issues of vesting are addressed. The vineyards need to sacrifice the same as the rest of us and share in the economic consequences that we all must face.

Please represent fairly district 5 and vote for the extension.  
Thank you, Larry and Vicki Carlson- Creston



**Fw: Item #14 Board of Supervisors Meeting October 1, 2013**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 10:43 AM

**Debbie Arnold**  
Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 10:43 AM -----

From: Maria Lorca <maria7551@charter.net>  
To: darnold@co.slo.ca.us, Bruce Gibson <bgibson@co.slo.ca.us>, ahill@co.slo.ca.us, fmecham@co.slo.ca.us  
Date: 09/28/2013 02:46 PM  
Subject: Item #14 Board of Supervisors Meeting October 1, 2013

---

Supervisors,

As you consider your policy for vested rights, for example the claims in the attached letter from Estrella River Vineyard :

The lawyers argue that actions resulting in substantial investments result in vested rights appurtenant to the property and when those rights are impaired compensation is required.

Why then don't all homeowners and landowners having substantial investments have an equal claim to compensation when the homeowner's or landowner's vested rights to use the water appurtenant to their property is impaired by excessive pumping ?



**Brownstein Hyatt\_vesting right request.pdf**

Respectfully,

Maria Lorca  
Creston

**Brownstein Hyatt  
Farber Schreck**

SLO CNTY  
PLANNING/BUILDING  
DEPT

2013 SEP 18 PM 1:54

September 17, 2013

C. Wesley Strickland  
Attorney at Law

WStrickland@bhfs.com

Kami Griffin, Acting Director  
Department of Planning and Building  
County of San Luis Obispo  
976 Osos Street  
Room 200  
San Luis Obispo, CA 93408

**RE: Request for Determination of Vested Right for Estrella River Vineyard, LLC**

Dear Ms. Griffin:

By this letter, we request that the County of San Luis Obispo (County) make a determination that a vested right exists to plant vineyards on certain property owned by Estrella River Vineyard, LLC (ERV), which includes approximately 170 acres on APNs 015-014-001, 015-014-003 and 015-014-004 (the Property). The Property is located within the area subject to County Ordinance No. 3246 (the Ordinance) dated August 27, 2013, related to management of the Paso Robles Groundwater Basin (Basin).

The Ordinance, Section 4.A.1, provides that New or Expanded Irrigated Crop Production shall not be established, commenced or initiated on lands overlying the Basin. Section 6.A.4 of the Ordinance provides an exemption "[w]here satisfactory evidence can be provided that, prior to the effective date of this Ordinance, an applicant has secured a vested right to complete site preparation, planting, or sale of product." ERV hereby requests that the County confirm that certain actions taken by ERV prior to the effective date of the Ordinance secured a vested right by ERV to complete site preparation, planting and sale of product on the Property.

The Property consists of approximately 255.94 acres, of which approximately 170 acres are plantable with vineyards, as shown on Exhibits 1 and 2. ERV took actions (1) through (7), described below, to prepare the Property for planting prior to adoption of the Ordinance. Each action individually, and all the actions taken together, constituted substantial investments that would be impaired if ERV were prevented from planting vineyards on the Property. We believe, and request that the County confirm, that those actions secured a vested right to plant vineyards on the Property within the meaning of Section 6.A.4 of the Ordinance. While we understand the desire of the County to regulate production from the Basin, we also believe that ERV possesses a vested right to plant, grow and harvest vineyards on the Property, the impairment of which would require compensation to ERV.

21 East Carrillo Street,  
Santa Barbara, CA 93101-2706

Agenda Item No. 24 Meeting Date: October 1, 2013

Presented By: Maria Lorca

Rec'd prior to the meeting & posted on September 20, 2013

- (1) ERV filed an application to drill an irrigation well (Well #3NE) for the Property on August 21, 2013. The County deemed the application complete on August 23, 2013 and issued Well Permit #2013-278 to ERV on August 28, 2013. A copy of the application and Well Permit #2013-278 are attached as Exhibits 3 and 4. ERV does not require any other permits from the County for its proposed planting of vineyards on the Property.
- (2) ERV hired Pacific Coast Well Drilling, Inc. to drill a test borehole and Well #3NE through two Contracts for Services dated August 26, 2013, including payment of non-refundable deposits for \$6,950 and \$14,950, respectively. Copies of the contracts are attached as Exhibit 5.
- (3) ERV hired Pacific Ag Water, Inc. to design an irrigation system on the Property for the planting of new vineyards. ERV paid \$5,000 for the design work on August 26, 2013. A contract of the invoice for this work is attached as Exhibit 6.
- (4) ERV hired Pacific Ag Water, Inc. to survey an existing irrigation water reservoir on a parcel adjacent to the Property, for the purpose of lining the reservoir to conserve water. ERV paid \$1,500 for the survey on August 26, 2013. A contract of the invoice for this work is attached as Exhibit 7.
- (5) ERV entered into a Tractor Services Agreement dated August 26, 2013 with Meadowlark Harvesting, Inc., pursuant to which ERV hired a contractor to prepare the Property for planting through ripping, including payment of a non-refundable deposit of \$4,000. A copy of the contract is attached as Exhibit 8.
- (6) ERV entered into a Sales Agreement for the purchase of grape rootstock from Vintage Nurseries LLC, including a non-refundable deposit of \$10,000. A copy of the sales agreement is attached as Exhibit 9.
- (7) ERV entered into a Preplant Agreement for the Purchase and Sale of Wine Grapes dated August 26, 2013 with Tolliver Ranch Brands, LLC, pursuant to which ERV contracted to grow and sell wine grapes from 170 acres of new planted acreage on the Property. A copy of the agreement is attached as Exhibit 10.

The actions described above constitute substantial investments by ERV to plant approximately 170 acres of vineyards on the Property. Prior to adoption of the Ordinance, ERV took all actions that would ordinarily be performed by a property owner for the planting of vineyards, including preparations to drill a new well, install an irrigation system, line an existing reservoir, rip the site for planting, purchase root stock and enter into a grape sales contract with a winery. We believe that taking those actions, including the payment of \$42,400 in non-refundable contract payments and deposits, created a vested right to continue planting of vineyards on the Property.

Based on the evidence provided above, we would like the County to make a determination of the following:

- (a) That ERV has secured a vested right to prepare, plant and sell produce from 170 acres of vineyards on the Property;
- (b) That ERV's vested right to prepare, plant and sell produce from the Property is appurtenant to the Property, and a successor-in-interest would have the same vested right as ERV;
- (c) That ERV has a vested right, pursuant to the Ordinance, Section 5.A.4, to drill, construct and operate Well #3NE, based on Permit #2013-278, the application for which was completed prior to the effective date of the Ordinance; and
- (d) That ERV's vested right to drill, construct and operate Well #3NE is appurtenant to the Property, and a successor-in-interest would have the same vested right as ERV.

We would appreciate the County's reviewing the evidence provided and making the requested determinations by no later than Friday, September 27, 2013, if possible. If you have any questions, please do not hesitate to contact me.

Sincerely,



C. Wesley Strickland

cc: Tim McNulty, Deputy County Counsel  
Todd Johnson, ERV



**Fw: water basin crisis**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 11:06 AM

**Debbie Arnold**

Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 11:06 AM -----

From: marcia rice <riceatpaso@msn.com>  
To: "fmechan@co.slo.ca.us" <fmechan@co.slo.ca.us>, "ahill@co.slo.ca.us" <ahill@co.slo.ca.us>, "darnold@co.slo.ca.us" <darnold@co.slo.ca.us>, "bgibson@co.slo.ca.us" <bgibson@co.slo.ca.us>  
Date: 09/29/2013 03:27 PM  
Subject: water basin crisis

---

Dear Supervisor,

My name is Marcia Rice. I live NE of Paso Robles in the middle of the "Red Zone". Two of my neighbors' wells have gone dry this summer. I was delighted when the emergency ordinance was passed. Maybe my well won't go dry too.

One week to the day after the ordinance was passed, a regiment of bull dozers started to rip an old orchard and virgin ground next to it. The property is adjacent to a large commercial winery half a mile from my property. I believe the corporate owners would not have started this project without confidence it could be completed somehow. They chose to do this in spite of being in the most severely affected part of the aquifer. They chose to do it in spite of probable harm to their neighbors.

This is exactly why a water management district organized and run by agricultural interests cannot work. Their mentality cannot or will not recognize any interests but their own. The basin has others users; homes, small properties, small vineyards and orchards.

We need a plan which will treat all equally.

Thank You

Marcia Rice

**Fw: The Worst of All Possible Ground Water Basin "Solutions"**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 10:53 AM

**Debbie Arnold**

Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 10:53 AM -----

From: Dean DiSandro <ddisandro@epcweb.com>  
To: "rockinRwinery@att.net" <rockinRwinery@att.net>  
Cc: Jennifer Porter <jporter@pasowine.com>  
Date: 09/29/2013 02:42 PM  
Subject: The Worst of All Possible Ground Water Basin "Solutions"

---

To: San Luis Obispo County Board of Supervisors  
From: Dean DiSandro, Rockin' R Winery

Re: The Worst of All Possible Ground Water Basin "Solutions"

In short, your Urgency Ordinance for the North County water basin takes away for too many valuable land rights while completely failing to address, much less solve, the causes of the so-called "crisis". A few more reasonable and effective measures are suggested at the end of this letter.

It will be a stunning and dramatic shift toward blatant fascism (defined by Mussolini himself as "a merger of corporate and government interests") if your body extends its Urgency ordinance for 2 more years on October 1.

Sorry for the use of this harshly pejorative term, but it the only word which correctly describes your draconian and almost surely ineffective "solution" to the North County ground water basin dilemma. The two supervisors from South County are easily willing to take away the most important land rights we North County Ag land owners have (because they will not have to answer to those voters, only take contributions from unaffected North County city-dwellers). Our two supposedly conservative North County Supervisors also appear equally disinterested in the inherent rights of land owners under the California constitution (and even their own previous campaign platforms).

Let's recount:

1) This ordinance does absolutely nothing to quell the unbridled growth of cities and CSDs... each new home built in those areas uses the same amount of water as an acre of grape plantings, but at a density of 6 - 12 times that of Ag uses. That near tripling of high density city (residential) users over the past 20 years is the real reason we are now approaching unsustainable water usage. Look at your own studies... the cities along the river (especially Paso Robles) can be easily identified as focal point of basin draining (with the rest of the basin draining, naturally,

toward the river bed). But this is not about facts or logic, or even open public discourse, is it?

2) When I ran for District 1 Supervisor in 2000, the two then-seated North County Supervisors (Ovitt and Ryan) trashed my "smart growth platform" as an affront to land rights. I cautioned then (13 years ago!) that we should NOT allow development interests to exceed the natural resource limits of the local environment. Since then, when Mr. Meacham (then city council and mayor of Paso Robles) was overseeing Paso Robles' stunning boom in residential development (and thus water usage), the Ovitt-Ryan team approved many sub-divisions of rural lands (such as Spanish Camp, Spanish Lakes, Ryan road, etc.) with blatant disregard for water and other resource impacts. Thus, it seems sadly ironic and hypocritical that "suddenly" everyone finds that an "urgency" measure is necessary, thus using legalistic hocus-pocus to quickly bulldoze over land owner rights without having to apply normal democratic processes designed to protect citizens from precisely this sort of government over-reach. Just because you throw the preamble "*to promote and protect public health, safety and welfare...*" in front of anything your power base concocts does not make it real, just, or wise. This problem has been long in the making and should be solved with the same deliberate and well-contemplated public process as any true democracy would demand. It is shameful for the Board to now pretend they never saw this coming and that only sudden "urgency" measures are appropriate. Shame on the two North County Supervisors if either one or both votes to extend this poorly conceived ordinance (see a better and far less undemocratic set of ideas below).

3) It is clear to me that various players are using this manufactured "crisis" to shove State Water and all that implies down the throats of North County citizens. Sad, but not surprising since I've seen Chinatown several times (you should, too). I grew up in Orange County. I have developed real estate all over California. When I saw the state water pipeline cut through the north county a decade ago, followed by the massive expansions of Highways 41 and 46 on the eastern edge of the county, I recognized these project as fitting the same pattern which sealed the fate of Orange County and the San Fernando Valley 30 - 50 years earlier. I, for one, moved to this county and onto a self-sufficient bit of acreage to escape the "big government is in every aspect of your life" reality of LA/OC and The Bay Area. Now you want to take away that self-reliance and autonomy? Will you all be proud to be the Supervisors who pushed the snowball into an avalanche?

4) Even if some unlucky citizen owns a square mile of land (640 acres!) which he/she has not yet fully developed (with up to 2 houses per current Ag or rural residential zoning), your ordinance strips them of their rights to some 640 acre feet of water per year (of which 2 new family homes would only use 2 - 2.5 acre feet per year)! Same logic for all parcels which have more acres than allowed residential uses. How can you call this fair in any manner? Won't an array of attorneys representing all of those disenfranchised interests descend on the county and embroil it in years of costly litigation? Is that your plan, or do you just hope you'll be out of office when that mess hits the fan?

5) This ordinance seems clearly designed to allow the most profligate of all existing users to keep using any amount of water they want, and to keep drying up the wells of their neighbors... that is why it will be clearly ineffective and I believe all of you know this. On what basis can you claim this ordinance will solve anything? What will prevent me and others from simple

flooding our fields as never before because we have the "vested right" to do so?

6) This ordinance also creates an extortionate mechanism to punish and control all potential users who have NOT contributed to this situation. Under your ordinance, land owners will have to beg for the right to use even a humble amount of water under their own land. Government will exercise totalitarian control of SOME land owners water (those who never contributed to the problem) while enriching (as quasi-monopoly water right holders) the most irresponsible and profligate existing water users (whose actions have exacerbated the water "crisis" for their neighbors). Is County Counsel really saying this ordinance provides land owners with equal protection under the laws (as guaranteed by the constitution) or are they lining up opportunities to make careers and millions by representing various parties in the sure-to-follow legal battles (while saddling the tax-paying citizens with millions in legal costs defending indefensible government acts).

7) Finally, while I completely understand and empathize with the plight of my neighbors (and expect that someday I, too, will need to deepen my own wells), that is NOT a reason to panic and allow fear to sweep away both democracy and land rights. Drilling a new well is not cheap, but *no one ever guaranteed that land owners would get cheap or "free" water*, or that the well you installed would always be sufficient. What the California constitution DID purportedly guarantee is that I have the right to drill under my own land and take out my fair share of water for use on my land (both domestic and agricultural). That was the promise I relied upon when I bought my parcels of land (Ag land, in the county, NOT in a city), when I invested millions toward my life's goals, when I made long term plans and worked for years toward making those plans a reality. But because I have not already planted grapes, nor built-out the maximum number of residences allowed under the zoning when I bought my lands, you want to punish me (and others similarly situated). For this Board to try to take away my land rights in such a cavalier and ill-advised manner is appalling. To force me to beg the Board and its successors for the newly created "privilege" to be subservient to another massive and undemocratic bureaucracy (i.e., state water board) is appalling. To allow the government to extort money from us at every turn (meter fees, usage fees, permit fees to offset state water projects) in order to finance its ever growing control and cynical service to shadowy development interests is unacceptable. For any or all of you to be partner to that sort of undemocratic power grab is shameful. Such an action by the Board will advertise North County (indeed SLO County as a whole) as a place to be avoided as an unstable and untrustworthy place to invest time, money and effort. There IS adequate water under nearly every parcel of land in the basin, but some wells will simply need to go deeper (just as all of the newest wells are already being drilled). Why allow yourselves to be swept into passing an ill-advised and draconian ordinance when there are more reasonable and more successful ways to address this crisis?

While my gut tells me that your October 1 decision is likely already a *fait accompli* (because government and corporate interests have indeed now congealed to the detriment of democracy and respect of land rights right in front of our eyes), I nonetheless feel compelled to shine a bright line on just how incredible and terrible your proposed "solution" really is. This is a last ditch "Hail Mary" pass of logical arguments hoping any one of you will catch it.

[Here is a simple slate of real and democratic solutions:](#)

- 1) Vote NO on an extension of the flawed Ordinance.
- 2) Ask staff to re-visit the 97+ ideas on your previous list, but re-evaluate those by eliminating "feasible" wherever defined as politically expedient, and replacing it with "clearly respectful of the California constitution and land owner rights". Then have them begin to craft long term solutions to be submitted to full and deliberate public debate and scrutiny.
- 3) Provide county-backed low-interest loans (via bonds, for example) to fund new well drilling for property owners whose wells fail.
- 4) Begin a calm public discussion which involves the cities and CSDs in the long solution to the water situation.
- 5) If the situation deteriorates such that you MUST restrict water usage, then meter and restrict EVERYONE's water usage to their fair share under existing county zoning (i.e. a sustainable yield of about 1 acre foot per year for EACH ACRE of land owned).
- 6) Start capturing and tracking all well reports whenever a property changes hands so that we will always have very real and up-to-date statistics from through-out the entire basin.

Yes, this will take a bit more time, but we are NOT yet using in excess of a sustainable yield, we are only *projected* to get to that point sometime over the next decade, so we have time to find a long term solution which is fair to everyone, not just the usual suspects who have been carving up our county for their own selfish interests for far too long now.

I can only hope that any of you have the courage and sense of constitutional democracy necessary to vote NO on this terrible Ordinance when it comes to a vote this Tuesday.

Largely in disbelief,

Dean DiSandro, J.D., M.B.A.

Ranch Owner (District 5)  
Winery Owner (District 1)  
Real Estate Broker & Developer  
Management Consultant

cc:

[fmecham@co.slo.ca.us](mailto:fmecham@co.slo.ca.us)

[darnold@co.slo.ca.us](mailto:darnold@co.slo.ca.us)

[ahill@co.slo.ca.us](mailto:ahill@co.slo.ca.us)

[bgibson@co.slo.ca.us](mailto:bgibson@co.slo.ca.us)

--

Dean DiSandro  
PO Box 3586  
Paso Robles, CA 93447  
tel: (805) 423-3861



**Fw: Extension of August 27th Urgency Ordinance**

**Cytasha Campa** to: BOS\_Legislative Assistants, cr\_board\_clerk  
Clerk Recorder

09/30/2013 11:07 AM

Kindest regards,

**Cytasha Campa**

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 11:07 AM -----

From: Carol Rowland <crowland@wildblue.net>  
To: Debbie Arnold <darnold@co.slo.ca.us>, BOS secretary <ccampa@co.slo.ca.us>, Board of Supervisors <BoardofSup@co.slo.ca.us>  
Date: 09/29/2013 10:31 AM  
Subject: Extension of August 27th Urgency Ordinance

---

Dear Ms. Arnold,

I thank you for your vote on August 27th in favor of the Urgency Ordinance.

I beg you to please extend the Urgency Ordinance passed on August 27th for 2 years to allow time to explore permanent solutions to the further rapid depletion of the PR Groundwater Basin.

Not extending the UO would open the door to another huge number of filings for new wells that happened in the weeks before the UO was passed on August 27th.

It is my understanding that PRAGGS, PRO Water Equity, CAB (consisting of a large part of your district), and the Blue Ribbon Committee have all said they support the extension. Also I understand that Supervisors Hill, Adam, and Meecham have indicated they too support the extension.

This leaves the fate of our lives in your hands. As a rural overlier, I live with the knowledge that any day my well, too, will go dry. The UO gave me hope that the situation can be addressed in a timely manner before we, too, lose our well. Please remember us when you vote on October 1st.

Respectfully,  
Carol Rowland  
Creston, CA



**Fw: Family Farm and the Urgency Ordinance**

**Cytasha Campa** to: BOS\_Legislative Assistants, cr\_board\_clerk  
Clerk Recorder

09/30/2013 11:07 AM

Kindest regards,

**Cytasha Campa**

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 11:07 AM -----

From: <bethmccown@cox.net>  
To: bethmccown@cox.net, bgibson@co.slo.ca.us  
Cc: ccampa@co.slo.ca.us  
Date: 09/29/2013 07:55 PM  
Subject: Re: Family Farm and the Urgency Ordinance

---

Dear mr. Gibson,

I sent an earlier letter to you regarding small farms and the effect of the Urgency Ordinance upon them. I am sending this letter after having read the proposed guidelines for determining vested rights.

Please consider revision of the draft guidance on vested rights to eliminate those aspects that are needlessly arbitrary. The proposed guidance assumes that all growers follow a certain sequence of events and investments. This is not necessarily the case and if the proposed guidance is adopted, it could unfairly deny the vested right exemption to those who rightfully qualify.

For example, here is our situation. Over the past 18 months, and before August 27, 2013, my husband and I had deer fenced our property, bought a tractor, built a County-permitted ag barn, contracted for irrigation services and supplies, performed well evaluation, purchased our 400 olive trees (they were on-site and we were hand watering until they could be planted when cooler temperatures arrived). The well, tank, and pump were in. All in all, we had invested more than \$115,000. But, due to scheduling (and not trying to game the system), we had not completed discing and staking as of August 27. Because of the scheduling of the relatively small task of discing and staking 4 acres, our right to continue our olive orchard could be denied if the proposed guidelines are adopted. Dollar-wise, discing and staking amount to less than 1% of our investment and time-wise, it was a matter of a few days. This is not equitable.

The sequence of tasks should not dictate compliance. Please revise the ordinance to fairly treat people with a different sequence of planting preparation. Perhaps language such as "completion of the preponderance of planting preparation," or something along those lines could be used.

Thank you for your consideration of these suggestions.

----- bethmccown@cox.net wrote:

> Dear Mr. Gibson,

>

> I am hoping to provide a voice for a group that I think has not been represented

> in the water discussions - small family farmers. The Ordinance and guidance provide no size thresholds regarding the irrigation of crops. The impact of that is to ruin a small family operation. It is happening to me.

>

> My husband and I bought our property in 2012 and began to prepare for our 4-acre

> 400 tree olive orchard, doing everything we thought right.

>

> We built our permitted ag barn; we deer-fenced the property; we bought our trees

> (and, aware of the drought conditions, we intentionally chose olive trees because they require less water and we spaced them on a 20' by 20' grid - certainly not densely planted.); we arranged irrigation - we did all of this before the ordinance was passed. I literally had my trees on my back patio, under a sunshade, hand watering them every day until it was cool enough to plant. The only reason the irrigation wasn't completed by August 27 was that I

> wanted to wait for cooler weather to plant and thus, felt no rush.

>

> But now, I face the prospect that I may be prevented from watering my trees and

> seeing them die.

>

> I recognize that every drop of water is important, but I do think that there is

> an equity concern when the exact same measures are applied to a small family farmer as to a large-acreage corporation.

>

> I urge you to include in the guidance that consideration be given for small acreage plantings, especially where that small acreage is intended to help support the family.

>

> Please don't take my orchard.

>

> Best, Beth McCown



**Fw: Proposed guidance on vested rights**  
**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 11:09 AM

**Debbie Arnold**  
Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 11:09 AM -----

From: <bethmccown@cox.net>  
To: darnold@co.slo.ca.us  
Date: 09/29/2013 07:58 PM  
Subject: Proposed guidance on vested rights

---

I sent an earlier letter to you regarding small farms and the effect of the Urgency Ordinance upon them. I am sending this letter after having read the proposed guidelines for determining vested rights.

Please consider revision of the draft guidance on vested rights to eliminate those aspects that are needlessly arbitrary. The proposed guidance assumes that all growers follow a certain sequence of events and investments. This is not necessarily the case and if the proposed guidance is adopted, it could unfairly deny the vested right exemption to those who rightfully qualify.

For example, here is our situation. Over the past 18 months, and before August 27, 2013, my husband and I had deer fenced our property, bought a tractor, built a County-permitted ag barn, contracted for irrigation services and supplies, performed well evaluation, purchased our 400 olive trees (they were on-site and we were hand watering until they could be planted when cooler temperatures arrived). The well, tank, and pump were in. All in all, we had invested more than \$115,000. But, due to scheduling (and not trying to game the system), we had not completed discing and staking as of August 27. Because of the scheduling of the relatively small task of discing and staking 4 acres, our right to continue our olive orchard could be denied if the proposed guidelines are adopted. Dollar-wise, discing and staking amount to less than 1% of our investment and time-wise, it was a matter of a few days. This is not equitable.

The sequence of tasks should not dictate compliance. Please revise the ordinance to fairly treat people with a different sequence of planting preparation. Perhaps language such as "completion of the preponderance of planting preparation," or something along those lines could be used.

Thank you for your consideration of these suggestions.



**Fw: PLEASE READ: PASO ROBLES WATER HEIST**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 11:10 AM

**Debbie Arnold**  
Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 11:10 AM -----

From: Concerned Citizen <waterheist@gmail.com>  
To: Debbie Arnold <darnold@co.slo.ca.us>  
Date: 09/29/2013 09:15 PM  
Subject: PLEASE READ: PASO ROBLES WATER HEIST

---

PLEASE HAVE THIS EMAIL AND THE ATTACHED DOCUMENT  
SUBMITTED FOR INCLUSION IN PUBLIC DOCUMENTS FOR THE OCT  
1ST BOARD OF SUPERVISORS MEETING UNDER THE TOPIC FOR PASO  
ROBLES GROUNDWATER BASIN TEMPORARY URGENCY ORDINANCE

Dear Debbie,

I strongly suggest you read carefully the attached document and think hard about what is REALLY going on here in the Paso Robles Groundwater "Basin" (I am using "Basin" in quotations because at this point there is actually NO proof we live above a basin)

I would like to point something out to you.

--This is NOT a dispute between the City of Paso Robles and the vineyards of North County.

--Likewise, this is NOT a dispute between the rural residential landowners and the agriculture that exists in North County.

Reality is there is a LONG TERM plan for a hostile takeover of our AQUIFER by

forces much stronger than ANY powers that exist here in our County. Very recently a large AGRIBUSINESS corporation has purchased vast numbers of acres over OUR aquifer. Trust me, this company would NOT be buying up the land JUST to grow grapes here. There isn't that much profit in it and grapes are NOT their business. They are buying up land to acquire the RIGHTS to the water below – OUR AQUIFER!

This corporation would LOVE for us all to believe that we are fighting each other over a LIMITED resource that is becoming scarce. Nothing would serve its purpose better than this. By us all being fragmented and fighting, we are sitting ducks for this company to come in and actually TAKE CONTROL of our Aquifer via a WATER DISTRICT. They have done it already over the hill from us and so it doesn't take too much imagination to see this is what they are attempting to do here as well. They will take control of our water EITHER way – whether the District is created PRIVATELY (PRAGGS) or QUASI-PUBLICLY (PRO-WATER EQUITY). The reason is they are the ONLY power here that can PAY to put the district into place and trust me, they wouldn't do it without a RETURN ON THEIR INVESTMENT. Mark my words, they are too big and powerful NOT to have total control of whatever district is set up.

This agribusiness is BOTH a member of a local organization that is trying to set up a PRIVATE water district while at the same time it is clear that this corporation's agenda has also infiltrated our local SLO County Government. You may ask what would lead me to believe that their AGENDA has infiltrated the County. The language of the Urgency Ordinance in addition to the method by which the County has decided to administer the ordinance leads me to STRONGLY believe that there is an AGENDA to commoditize the Paso Robles Aquifer by both this large Agribusiness AND the County of San Luis Obispo. I asked myself where would SLO County get the IDEA to commoditize water – after I read the WATER HEIST (attached) I knew EXACTLY where they got the idea. Furthermore, I recently heard a County official state that the County needed someone with the expertise in water credits to come on board to help administer this program – who would be the best candidate for this position? How about the Large Abribusiness that is doing essentially the same thing over the hill from us in Kern???? So, from what I have deducted this corporation is essentially working two sides of the fence and either

way it turns out this company will win. Winning will mean that the ENTIRE NORTH COUNTY loses – not just local vineyards but also the cities and the rural residents. EVERYONE HERE WILL LOSE! The ONLY way that we can fight this is to ban together over a common enemy --- forget protecting our wells, how about PROTECT OUR AQUIFER!!!! PRAGGS, PROWATER EQUITY and the CITIES need to unite. I believe if everyone could see what is REALLY going on they all would STOP fighting with one another and start strategizing on how to PREVENT this from happening.

It is clear that at this point NO ONE knows the size, depth or magnitude of the water within our aquifer. No one here can definitively say whether or not our Aquifer is actually in overdraft and therefore whether any sort of health or safety issue is truly at hand. This is supported by the fact that only 8 people called your hotline for a dry well preceding this Board's passing of the Urgency Ordinance.

What if our Aquifer is the largest in the state of California and we are merely experiencing loss of water in the top strata from the drought? What if our properties actually sit on top of a GOLD MINE of water? And, what if outside forces are aware of this fact and prefer we all remain in a state of fear that we are running out of water because it serves their purpose? The truth is Whoever is IN CONTROL of our water by the time an overdraft determination is made is able to SELL our water to users OUTSIDE of our Aquifer if there is no overdraft. You have a responsibility to EVERYONE in the North County to investigate this and find out the REAL story about what is going on here. Your decisions going forward will impact the outcome of this attempted takeover.



Very Concerned Overlying Basin Landowners

Water Heist 8.ind - Water\_Heist\_lo-res.pdf



## **Water Heist**

**How Corporations Are Cashing In  
On California's Water**



California Office  
*December 2003*

Agenda Item No: 14 • Meeting Date: October 1, 2013  
Presented By: Unknown  
Rec'd prior to the meeting & posted on: September 30, 2013





## 7 WATER (EIST)

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/ N # ALIFORNIA'S 7 WATER



California Office  
December 2003

Agenda Item No: 14 • Meeting Date: October 1, 2013  
Presented By: Unknown  
Rec'd prior to the meeting & posted on: September 30, 2013



**PUBLIC CITIZEN** is a national, nonprofit consumer advocacy organization founded by Ralph Nader in 1971 to represent consumer interests in Congress, the executive branch and the courts. We fight for openness and democratic accountability in government, for the right of consumers to seek redress in the courts; for clean, safe and sustainable energy sources; for social and economic justice in trade policies; for strong health, safety and environmental protections; and for safe, effective and affordable prescription drugs and health care. We have six divisions and two state offices.

**THE #CALIFORNIA / FCE** Our campaigns protect the basics for life: food, water and democracy. We fight for safe and sustainable agriculture that provides locally-grown and nutritious food produced in a humane fashion. We advocate for democratic control and protection of public water resources in the face of international corporate strategies to privatize their ownership and distribution. And we continue to highlight how corporate-driven trade policy undermines environmental regulations, labor laws, and the democratic process.

Public Citizen is campaigning to protect universal access to safe and affordable drinking water by keeping it in public hands. Public Citizen does not believe that citizens benefit from privatization of their water and wastewater systems because the sale of public works to private companies can foster corruption and result in higher rates, inadequate customer service and a loss of local control and accountability.

**#CALIFORNIA / FCE**

1615 Broadway, Ninth Floor  
Oakland, CA 94612  
phone 510.663.0888 fax 510.663.8569  
[www.citizen.org/california](http://www.citizen.org/california)  
[jgibler@citizen.org](mailto:jgibler@citizen.org)

**! KNOWLEDGMENTS** This report was researched and written by John Gibler. Research assistance by Kevin Chapin and Logan Harris. The report was edited by Juliette Beck, Hugh Jackson, Erica Hartman, and John Gibler. The author would like to thank Carolee Kreiger, Michael Jackson, and Tim Stroshane for commenting on earlier drafts.

**PHOTOGRAPHY** Michael Bialecki—cover, pp. 2, 9, 14, 15, 21, 22. John Gibler—pp. 1, 12, 16. Tom Price—p. 17. Richard Kadrey—p. 26.

**\$ DESIGN** Nicola Ginzler Design

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*California's Great Central Valley receives between one and ten inches of rain a year. The diverted rivers sent south to be used as irrigation water provide the Midas touch that transforms the desert into the richest agricultural region in the world.*

## Executive Summary

*California's Central Valley is one of the largest contiguous swaths of land on earth to have been so completely altered by human activity. Lake beds and wetlands have been drained and planted with cotton and almonds, rivers dammed and diverted over hundreds of miles from their sources, the air filled with such quantities of dust and pesticides as to become the most polluted in the country, and the dry semi-desert floor turned into the most productive agricultural region in the world. Now, after a century of such cosmetology, the Valley is about to get yet another makeover from a boom crop: sprawl.*

OVER THE PAST DECADE, a handful of the largest agribusiness and development corporations in the country have been rewriting California water policy in secret meetings to quench their thirst for unabated expansion and privatize the state's water supply. Displaying total disregard for the California State Constitution, representative democracy, and the environmental and social impacts of their actions, these players seek to "game" public water projects—much as Enron "gamed" energy deregulation. Their goal is to siphon as much of California's public water as possible to their corporate farms and "master-planned" cities in the desert while profiting from insider water sales.

In California state law, as laid out in the Constitution and the Water Code, water is a public good, held in trust by the state to ensure the greatest benefit to the public. In *Water Heist: How Corporations Are Cashing In On California's Water* we show how the public trust has been breached by an entrenched water plutocracy. The corporate interests that pervade the

water districts that call the shots throughout the state are setting up insider water trading systems to facilitate the ease with which water flows to money. With direct corporate control over vital public water infrastructure—especially massive public water storage facilities—environmental protection and justice, urban renewal and smart growth face a desiccated future where profit rather than need dictates the destiny of California's water.

The abuses continue largely because they occur in closed meetings in hidden forms of government. Public Citizen aims to help cast the light of public scrutiny on the water deals taking place using the state's public water delivery system so that not just the CEOs of California have a voice in determining how our water is managed.

The water plutocracy includes some of the largest private agribusiness and development corporations in the country, who have created obscure and unaccountable water districts that act like "hidden government."

Agenda Item No: 14 • Meeting Date: October 1, 2013

Presented By: Unknown

Rec'd prior to the meeting & posted on: September 30, 2013



### Usurping Democracy: The Monterey Amendments

In 1994, the largest contractors with the California State Water Project (SWP)—the state’s largest water delivery system—called the Department of Water Resources (DWR) into a closed meeting. The agreements that the SWP contractors and the state reached in that meeting led to a document known as the Monterey Amendments, named after the city where the meetings took place. These “amendments” to the SWP contracts included denying that the SWP delivers half of what the contractors say it does and effectively deregulating the SWP so that the contractors can sell contracts for precisely the half of the water that doesn’t exist. Sound confusing? It is. Welcome to the world of “paper water.”

In the same Monterey meetings, the state also agreed to give away an underground water storage facility that DWR spent \$74 million purchasing and developing.

### State Giveaway of Essential Public Asset: The Kern Water Bank

The Kern Water Bank is an underground water storage facility—the largest of its kind—situated at the southern tip of the Great Central Valley, the region where the state delivers 80 percent of its surface water to industrial agriculture. The water bank is connected to the public canals and aqueducts that pipe water in from the northern, central and southern Sierra Nevada mountain range. The

water bank can store about 1 million acre-feet of water and pump out over 200,000 acre-feet a year, according to official project descriptions.

The Kern Water Bank is an integral part of California’s public water delivery system. It could store large amounts of water for times of drought or natural disasters such as fires or earthquakes. It could also provide a handful of private corporations with the keys to a virtual “switchyard” for controlling water deals between agribusinesses and real estate developers.

In 1994, DWR gave the Kern Water Bank to the Kern County Water Agency, which immediately signed it over to the Kern Water Bank Authority, a supposedly public entity comprised of a collection of water districts and one private company. The private company involved is a “paper company” with no listed telephone number or address: Westside Mutual Water Company. Westside is owned by perhaps the largest agribusiness in the United States: Paramount Farming Company.

### Who’s Behind the Kern Water Bank? Roll International Corporation and Paramount Farming Company

Roll International Corporation—a Los Angeles-based holding company—is one of the largest privately owned companies in the world, and everything that Roll owns claims to be the biggest at what it does. Roll International owns the Franklin Mint, Teleflora, and a collection of

agribusinesses—all of which operate in three California counties—including Paramount Citrus, Paramount Farming, and Paramount Farms, Inc. The California Farm Bureau Federation wrote that together “these firms constitute the largest farming company in the United States.” Roll is privately owned by Stewart Resnick, a Beverly Hills billionaire and major campaign contributor who gave over \$350,000 to the Gray Davis Committee and the anti-recall groups between 2000 and 2003. Governor Davis chose Resnick to co-chair his agriculture-water transition team with the champion of the failed Cadiz groundwater banking scheme, Keith Brackpool.

Although the Kern Water Bank Authority oversees a vital water resource, its staff is tucked away in the offices of Paramount Farming Company, without so much as a sign on the door. Executives from Paramount, who created an almond and pistachio empire over the past two decades, said that they went into the water bank to secure a firm water supply for their crops. Local newspaper articles, however, quote Paramount’s vice president, who presides over the water bank’s board of directors, as saying “sales from the water bank were contemplated from the time the bank was acquired.” In fact, the paper reports, Paramount is particularly interested in selling water to its parent company’s home town: Los Angeles. Paramount executives have already had “early talks” with the Los Angeles Department of Water and Power about selling “an as-yet-unspecified amount of water.”

The website of Paramount’s Los Angeles-based law firm clearly boasts about how the law firm advised Paramount Farming Company to set up a mutual water company (Westside Mutual Water Company) to “own and operate” the Kern Water Bank. Paramount, it seems, has been planning for some time to harvest more than just pistachios and almonds.

### Irrigating Sprawl

California’s population is expected to grow by 20 million in the next twenty years, and real estate developers are scrambling to get a hold of “secure” water supplies for their sprawling subdivisions. Public Citizen found a water sales contract between WV Acquisitions, a Roll International subsidiary whose president is also president of Paramount Farming Company, and Newhall Land and Farming Company, the largest developer in the state. Newhall has been taking advantage of the 1994 backroom deregulation of the SWP to go shopping for paper water contracts for the

new “master-planned” city it plans to build in northern Los Angeles County. Such sales involve water supplies that are far from secure because they are based on allocated state water supplies: that is, paper water. Furthermore, this report raises the essential question: Should corporations like Paramount and Newhall be allowed to profit from buying and selling water that belongs to all Californians?

### Usurping Democracy, Again: The Napa Proposition

In July 2003, just months after the seven-year lawsuit challenging the Monterey Amendments by a coalition of environmentalists, public advocates, and one State Water Project contractor was settled, the participants in the Monterey meetings met again, this time in Napa. The agreement that resulted from these meetings—called the Napa Proposition—plans to further integrate the SWP and the federal Central Valley Project (CVP). Such integration will allow landowners, principally in the San Joaquin Valley and Southern California, to trade off the federal project’s superior storage capacity and the state project’s greater pumping capacity with one goal in mind: to continue pumping water to agribusinesses, developers, and water marketing barons in Southern California, unabated by either federal or state endangered species acts, water quality issues in the Delta, or the unmet needs of communities in the Central Valley that don’t have access to clean drinking water.

### End Game: Water as Public Trust

California’s public water utilities and resources are governed by a plutocracy—a select group of private corporations, individuals, and semi-public and public officials all working in tandem to “game” state water policy. They meet in closed sessions and rewrite public policy, tailoring their edits to the interests of monopoly-like agribusiness corporations and real estate developers. Is this a conspiracy theory? No. It is just business as usual.

The water plutocracy must be replaced with a vibrant water democracy.

Public Citizen strongly advocates returning the State Water Project to broad public use and oversight so that it can benefit all Californians, rather than only a select group of Los Angeles corporations. Water must be maintained as a public good, held in trust for broad and equitable use, *not* a commodity bought and sold by the highest echelons of the corporate elite.

We recommend the following concrete steps for accomplishing this goal:

#### **Return Kern Water Bank to Public Control**

Paramount and its Westside Mutual Water Company should never have been allowed to “own and operate the water bank.” The privatization of this vital public resource should be reversed.

#### **Repeal the Monterey Amendments**

The Monterey Amendments should be repealed and the State Water Project contracts should be rewritten with an eye to water conservation and environmental restoration as well as the original stated purpose of the project: to reallocate California’s water resources in an *equitable* manner.

#### **Eliminate Paper Water**

The Department of Water Resources continues to maintain on paper that the State Water Project can deliver almost twice as much as nature provides. The water “entitlements” of the twenty-nine State Water Project contractors should be re-drafted to fit the actual capability of the project to deliver.

#### **No Resale of State Water Project Water**

The individual contractors that receive state project water should not be allowed to profit from reselling that water, whether it is back to the state Environmental Water Account or to real-estate developers.

#### **Democratize Water and Irrigation Districts**

Water and irrigation districts that receive public water deliveries from the SWP should be transparent and accountable to the public. There should be elected, public representatives on the boards of such districts who would represent the non-landowning population affected by water policy decisions made most often in closed meetings.

NATURE PROVIDES ENOUGH WATER for California to meet all of its needs: to sustain water-efficient family farms and industries; to provide safe drinking water to present and future generations; and to restore and maintain California’s much-abused environment. Nature provides enough water; that is, unless mismanagement and greed intervene and allow for the state’s public water supplies to be manipulated for profit. Too much is at stake to let this water heist continue.

## Background: The Monterey Amendments

AFTER TWO YEARS of planning and negotiation, in 1988 the Department of Water Resources (DWR) purchased 19,900 acres alongside the Kern River.<sup>1</sup> DWR purchased the property for \$31.4 million from Tenneco West Incorporated to build a subsurface reservoir to store State Water Project (SWP) water during years with above average rainfall.<sup>2</sup> On this property DWR first established the Kern Water Bank—an underground reservoir capable of storing a million acre-feet\* of water. After conducting in-depth studies on the viability and potential environmental impacts of the project, DWR began putting in extraction pumps and building canals and conveyance facilities to connect the water bank to SWP aqueducts. All told, DWR spent \$74 million on the project.<sup>3</sup>

From 1987 through 1992 and again in 1994, California experienced drought years. During the drought DWR significantly cut back deliveries to its agricultural contractors. In 1991 and 1992, DWR operated a Drought Water Bank to pay contractors willing to forgo their water entitlements. DWR then delivered the purchased water to agricultural contractors and urban areas with the strongest demand. The Drought Water Bank was the state's first experiment with water banking.<sup>4</sup>

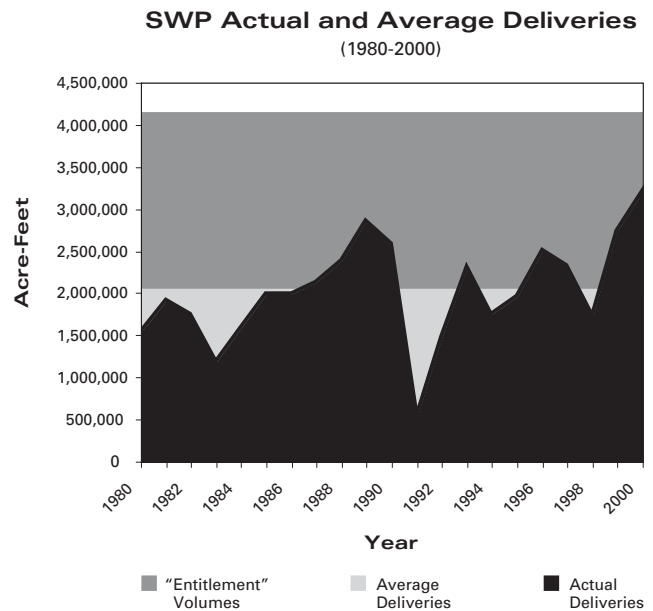
Following the drought, the Kern County Water Agency (KCWA) was preparing to take DWR to court for cutting back its water deliveries.<sup>5</sup> The state legislature created the KCWA in 1961 under the tutelage of Kern County's corporate farmers to buy SWP water and then sell it to the local districts where the landowners formed the boards of directors. As an intermediary, the Agency spread out the cost of SWP water through a countywide property tax, principally paid by the Bakersfield urban population. Both the intent and the effect of the KCWA were to generate water subsidies for large landowners.<sup>6</sup>

In 1994, rather than call DWR to court, water brokers in Kern County and a select group of other SWP contractors held a series of closed meetings with DWR to rewrite the contracts that govern water allocation for the entire State Water Project.<sup>7</sup>

The backroom deal that resulted—in which participants produced a document known as the Monterey Amendments, named for the city in which the meeting took

\*An acre-foot is the amount of water necessary to fill an area of one acre to a depth of one foot, or 325,000 gallons. One acre-foot of water is roughly the amount that two families of four consume in one year.

place—made several fundamental changes to the SWP contracts, all propitious for the agribusiness and real estate interests represented by the attendees of the meetings.<sup>8</sup> The agreement withdrew, for example, a requirement that water allotments be scaled back to fit available supplies in the case of permanent water shortages or the inability of



Source: Department of Water Resources Bulletin 132-90 and Bulletin 132-01.

the project to deliver as originally projected.<sup>9</sup> The SWP contracts for 4.2 million acre-feet of water but can only deliver an average of about 2 million acre-feet annually.<sup>10</sup> This modification permits SWP contractors to buy and sell entitlements to water that does not exist, otherwise known as "paper water."<sup>11</sup> California water historian Norris Hundley describes the Monterey Amendments as "[a]n 'institutional mirage' encouraging the notion that California can somehow find all the water necessary for development into the distant future."<sup>12</sup>

It was also through the Monterey Agreement that DWR first gave the Kern Water Bank to the Kern County Water Agency, who then signed a joint powers agreement—enabling different districts to cooperate in their exercise of common powers—to form the Kern Water Bank Authority (KWBA). The KWBA is a joint powers authority consisting of two water storage districts (Semitropic Water Storage District and Wheeler Ridge-Maricopa Water Storage District), two

water districts (Dudley Ridge Water District and Tejon-Castac Water District), one special district (Kern County Water Agency), and one private company (Westside Mutual Water Company).

The Third District Court of Appeal ruled that, in 1995, DWR illegally passed off its responsibility under the California Environmental Quality Act of conducting an Environmental Impact Report (EIR) on the potential impacts of the proposed changes to the SWP contracts.<sup>13</sup> The DWR gave the task to the Central Coast Water Authority—one of the participants in the secretive Monterey meetings. The Planning and Conservation League together with the Plumas County Flood Control and Water Conservation District and the Citizen's Planning Association of Santa Barbara County challenged the validity of the EIR and the legality of the Kern property giveaway. The plaintiffs lost in the trial court but won a unanimous favorable ruling from the Third District Court of Appeal. They went into mediated settlement negotiations with DWR and its major contractors, finally reaching an agreement in May 2003.<sup>14</sup>

The Settlement Agreement requires DWR to prepare a new EIR on the Monterey Amendments. It also allows for the Kern Water Bank Authority's continued ownership of the water bank while the new EIR is in process.<sup>15</sup> Throughout the lengthy litigation and negotiation process, however, the changes wrought to California's water infrastructure and water politics continued unabated. Although the environmentalists were hoping to have the whole deal scrapped in court, for the first time in California history the agriculture and real estate magnates behind these deals began setting up a paper water trading system. Moreover, they turned the state's \$74 million gift of the Kern Water Bank into "the switchyard for controlling the water market."<sup>16</sup>

Tim Stroshane, editor of the California water journal *Spillway: California Land, Water and People*, called the Monterey deal a "bloodless coup."<sup>17</sup> He wasn't exaggerating. The changes made in the closed meetings usurped participatory democracy and overhauled California's most vital public utility, tailoring it to the demands of agribusiness corporations and developers seeking to create and corner a subsidized water trading system.



*The water bank's administration—the Kern Water Bank Authority (KWBA)—is housed in Paramount's corporate office outside of Bakersfield. Paramount's vice-president also serves as chair of the Authority's board. There was no sign for the KWBA anywhere outside or inside the building when Public Citizen visited in July 2003.*

## The Kern Water Bank

“THINK OF THE BANK OF AMERICA, the way it operates with dollars, that's the way we operate with water,” said Jonathan Parker, general manager of the Kern Water Bank Authority (KWBA) in Kern County.<sup>18</sup>

The Kern Water Bank claims to be the largest water banking project in the world. It can store a million acre-feet of water on a long-term basis and provide around 240,000 acre-feet per year for extraction.<sup>19</sup> To put this figure in perspective, 200,000 acre-feet, about 65 billion gallons of water, is the amount of water that would be transferred annually from the Imperial Irrigation District to the San Diego County Water Authority under the much contested deal between the two. The price tag on that deal now stands at \$52 million a year.<sup>20</sup>

The water bank is located on the Kern River alluvial fan—the disintegrated rock deposited over thousands of years by the Kern River. According to the KWBA project description, the water bank works like this: “Water rapidly soaks down through the sand to fill in the voids between particles. When it is needed, water is easily recovered by high-flow wells.”<sup>21</sup>

“Think of it like a bank,” said Mr. Parker. “Participants have water. We're a nonprofit entity. What we do is provide a service. We store water at cost and then take water out of the ground, at cost. They pay us to provide that service in the least expensive manner. We operate only for participants.”<sup>22</sup>

In 1994, the California State Legislature approved Assembly Bill 2014. Introduced in the Assembly on March 5, 1993, the bill was amended in the Senate on June 13, 1994, where the original language concerning water rights was entirely deleted and replaced with a single sentence authorizing mutual water companies to enter into joint powers agreements.<sup>23</sup> Also in 1994, DWR, the initial owner and developer of the Kern Water Bank, participated in the closed meetings in Monterey that led the state to transfer the property to the Kern County Water Agency, who called the meetings in Monterey.

The private company involved in the Kern Water Bank is Westside Mutual Water Company. Westside owns 48% of the bank. Westside is not a well-known company; in fact it does not have a listed telephone number or address. When asked about the participation of a private business in the otherwise public agency, the Bank Authority's staff responded that “Westside Mutual Water Company represents land holdings in other districts. They are not that different from a storage district. We don't see any difference in that.”<sup>24</sup>

And whose land holdings does Westside represent? “Westside owns land, they represent their land,” said Cheryl Harding, the Authority's administrator.<sup>25</sup>

“They're no different from a water district,” Mr. Parker added.<sup>26</sup>

Westside Mutual Water Company is wholly owned by and operates exclusively for Paramount Farming Company, one amongst the cluster of agribusiness firms—all privately owned by Roll International Corporation—that together constitute what may be the largest agribusiness company in the United States.<sup>27</sup>

The KWBA staff appeared reluctant to mention the name “Paramount Farming.” Such reluctance was peculiar considering where the interview took place: in the conference room of Paramount Farming Company’s office on East Lerdo Highway, about 10 miles outside of Bakersfield.<sup>28</sup>

The KWBA leases its office space from Paramount. However, there is no sign either outside or inside the building to announce the offices of this supposedly public entity. Indeed, there is no distinguishing feature between the offices of KWBA employees and those of Paramount employees.

Posters and maps published by the KWBA hang on the walls throughout the building. The Authority’s geographical information systems (GIS) specialist works off of a lap-top in Paramount’s GIS department.

“We lease space from Paramount because we’re trying to do stuff on the cheap. We’re not empire builders,” Ms. Harding said.<sup>29</sup>

“We operate in the public, we serve a board of directors,” added Mr. Parker.<sup>30</sup>

Ms. Harding then continued: “The 7 a.m. board meetings go on for a long time. Some people come, find it boring, don’t come back. There’s no smoking gun, just a meeting.”<sup>31</sup>

### The Corporate Players behind the Kern Water Bank Authority

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The Kern Water Bank Authority (KWBA) is a joint powers authority consisting of two water storage districts (Semitropic Water Storage District and Wheeler Ridge-Maricopa Water Storage District), two water districts (Dudley Ridge Water District and Tejon-Castac Water District), one special district (Kern County Water Agency), and one private company (Westside Mutual Water Company).

Paramount Farming Company controls over 50 percent of the Kern Water Bank through Westside Mutual Water Company and Dudley Ridge Water District.

Another key player to keep an eye on is Tejon Ranch. Tejon Ranch, with 270,000 acres between Los Angeles and Bakersfield is “the largest contiguous expanse of land under single ownership in California,” according to the company’s website. Tejon Ranch, initially an agribusiness, plans to build a new town—even bigger than Newhall Ranch—with 24,000 houses, thus ushering in the trend of agriculture bowing to urban sprawl. Tejon’s participation in the Kern Water Bank would allow them to store nearly twice as much water as their new town would require annually.

Sources: Kern Water Bank Authority, *Project Description*, Undated; Water Association of Kern County, *Who’s Who in Kern County Water*, <<http://www.wakc.com/whoswho.htm>>; Dudley Ridge Water District, *Board of Directors*, Undated; Tejon Ranch, *Historic Tejon Ranch*, <<http://www.tejonranch.com/HistoricTejon/HistoricTejonRanch.html>>; and Vic Pollard, “Land not only issue in the mix,” *Bakersfield Californian*, 07 June 2003.



*Many industrial agriculturists in the Central Valley irrigate their almond orchards through routine flooding.*

## **Who Controls the Kern Water Bank?**

*Power veils itself. From the mystery of what it does, what it owns, and, above all, who it is, it assumes added strength.*

*Gray Brechin, Imperial San Francisco*

INFORMATION AVAILABLE to the public concerning Roll International Corporation is scant.<sup>32</sup> Roll is one of the largest privately owned companies in the world. Roll's 1998 sales were \$1.57 billion.<sup>33</sup> Everything that Roll owns claims to be the biggest at what it does. Perhaps the most widely recognized company of the group is the Franklin Mint, "the world's largest direct marketer of collectibles."<sup>34</sup> In addition to the Franklin Mint, Roll International owns Teleflora, the nation's largest wiring service for flowers.<sup>35</sup>

Roll's agribusinesses—all of which operate in three California counties—include Paramount Citrus, the largest grower, packer and marketer of citrus in the country; Paramount Farming, the largest producer of almonds and pistachios in the country; and Paramount Farms, Inc., the largest pistachio processor and second-largest processor of almonds in the world. The California Farm Bureau Federation wrote that together, "these firms constitute the largest farming company in the United States."<sup>36</sup>

Roll International and its holdings such as Paramount Farming Company are Delaware corporations. Some of the perks of incorporating in Delaware include: incorporating without traveling to or living in Delaware; paying an annual corporate franchise tax as low as \$50 regardless of income;

and not paying a cent in income tax if you don't do business in Delaware.<sup>37</sup> Enron, for example, had 685 subsidiaries incorporated in Delaware.<sup>38</sup>

Roll International is owned and directed by Stewart Resnick. The Resnicks live in Beverly Hills, not Bakersfield. One visitor to the Resnicks' mansion commented that it was "like the Italian embassy but more tasteful."<sup>39</sup>

The Resnicks are active members in Los Angeles society. In the past few years they have received some of LA's highest awards such as the University of California Los Angeles (UCLA) Medal, the Duke Award and the City of Angels Award.<sup>40</sup> They give to numerous charities, universities, art museums and Democratic candidates, donating over \$250,000 to the Governor Gray Davis Committee between 2000 and 2002 and \$100,000 to anti-recall groups in June and September 2003.<sup>41</sup> In 1998, Davis, then governor-elect, appointed Stewart Resnick as co-chair of his "agriculture and water transition group."<sup>42</sup> Mr. Resnick's fellow co-chair was Keith Brackpool of the botched Cadiz water grab fame.

Paramount Farming Company has more than 5 million trees yielding billions of nuts a year. Growing, processing and marketing as one company, Paramount claims to be the largest vertically integrated supplier of pistachios and

almonds in the world.<sup>43</sup> The company currently has over 50,000 acres of pistachio and almond orchards in production in California. They also have the property holdings—and the plans—to expand into at least another 50,000 acres in the coming years.<sup>44</sup>

Almonds and pistachios are extremely lucrative crops. The California Farm Bureau Federation ranks almonds among California's top ten most valuable crops, generating \$700 million in 2001 and over \$1 billion in 2002.<sup>45</sup> Almonds are California's number one export crop, and also the top fruit and vegetable export crop in the United States.<sup>46</sup> Pistachios are not used as ingredients as often as almonds, making their demand significantly lower. Still, California's 2002 pistachio crop was valued at a solid \$336 million.<sup>47</sup>

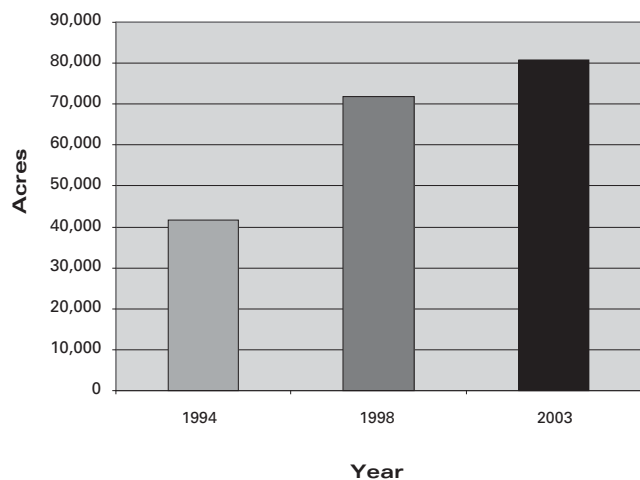
Paramount started buying pistachio, almond and olive orchards in 1986, after agricultural production dropped significantly in Kern County in the early 1980s.<sup>48</sup> Approximately 100,000 acres went out of production in Kern between 1982 and 1984.<sup>49</sup> Paramount and its associated companies, all held by Roll International, continued buying land into the 1987-92 drought that hit California agribusiness particularly hard. Roll purchased 12,000 acres of pistachio and almond orchards from Mobil Oil in 1986 and 77,000 acres of farmland from Texaco's central California agribusinesses in 1987.<sup>50</sup>

In 2000, Paramount bought most of Dole's citrus in California for \$55 million, making it "the largest integrated grower, packer, and marketer of fresh citrus in the United States."<sup>51</sup>

In fact, while both the number of farms and agribusinesses and the total acreage of land in agricultural production in California dropped significantly throughout the 1990s, the Paramount group of agribusiness corporations doubled its acreage in cultivation from around 41,000 acres in 1994 to nearly 81,000 in 2003.<sup>52</sup> These figures come from analyzing Paramount's pesticide permits in Kern County alone. Paramount also has land holdings in Kings and Fresno counties.

Paramount has been steadily increasing its acreage and expanding production *against* the trend of the state's overall decrease in both agricultural acreage and production. Between 1992 and 1997 while Paramount was growing, California lost more than 3,500 farms.<sup>53</sup> Between 1998 and 2000, "90,000 acres of California farmland were lost to urbanization."<sup>54</sup>

**Cultivated Paramount Farms  
Land Holdings in Kern County**



*Paramount has doubled its acreage in production in Kern County over the past ten years.*

Source: Kern County Department of Agriculture, <http://www.co.kern.ca.us/kernag/ftp/fileindx.html>

Paramount's success is certainly a product of its agricultural technology and business organization.<sup>55</sup> Such success would not be possible, however, without water—indeed, enough water to satiate 100,000 plus acres of orchards depending upon year-round irrigation in a semi-desert.

Paramount and the KWBA's staff paint a picture of serious, risk-taking private enterprise saving the Kern Water Bank from the bungling hands of bureaucrats in Sacramento. In interviews they said repeatedly that DWR "couldn't get the project off the ground," and that the community prefers the water bank to be "under local control."<sup>56</sup> Paramount, a Delaware corporation, privately owned by one of the wealthiest residents of Beverly Hills, can hardly be considered "local."

The *Bakersfield Californian* also referred to the Kern Water Bank as a "local" asset. Under the headline, "Kern Water Bank will likely stay with county," the *Californian* describes the Kern Water Bank "property transfer" thusly: "One provision of the Monterey Agreement transferred ownership of the 20,000-acre water banking area along the Kern River bed west of Bakersfield from the state to a consortium of local districts, including KCWA."<sup>57</sup> The *Californian* does not mention Paramount Farming Company even though Paramount's water company, with 48% ownership, easily holds the largest share in the Kern Water Bank and Paramount's Executive Vice President, William D. Phillimore, is Chair of the Kern Water Bank Authority's

board of directors—a position that he is apparently able to carry out from his desk at Paramount.

Compare the *Californian's* take on the water bank acquisition with the following description provided by the Los Angeles law firm that represents both Paramount Farming Company and the Kern Water Bank Authority— Nossaman Guthner Knox & Elliott LLP:

Paramount Farming Company was a key participant in the Kern Water Bank transaction, and Nossaman advised Paramount on all aspects of this transaction. The Kern Water Bank is a 20,000-acre property west of Bakersfield operated by the Department of Water Resources for groundwater storage. Pursuant to the Monterey Statement of Principles entered into by the Department and State Water Contractors in November 1994, the Department agreed to transfer the property. Nossaman advised Paramount regarding formation of a joint powers authority to own and operate the water bank, a mutual water company through which Paramount participates in the authority, relinquishment of entitlements, water rights, environmental issues and other issues regarding this transaction.<sup>58</sup>

Notice the language of intention: “Nossaman *advised* Paramount regarding the formation of a joint powers authority to *own and operate* the water bank.”<sup>59</sup> Nossaman leaves little doubt that Paramount *planned* to acquire and control the Kern Water Bank.

Paramount grows pistachio and almond trees, some 5 million of them. Trees, unlike other crops such as rice or alfalfa, cannot be fallowed. In the semi-desert of the Southern San Joaquin Valley, no almond tree could survive without a constant supply of water. Kern County itself receives an average annual rainfall of less than six inches.<sup>60</sup>

The resource planning manager at Paramount Farming Company explained the motivation behind Paramount's participation in the Bank Authority as follows: “We're in the situation of growing almonds and pistachios without a firm water supply, so we went into the Kern Water Bank to secure a water supply.”<sup>61</sup> He emphasized that Paramount's primary interest is in making a long term investment to grow their crops, and that “any sort of water marketing is very much secondary to crops.”<sup>62</sup>

Should taxpayers and ratepayers foot the water bill for the self-described largest almond and pistachio producer in the United States to grow permanent specialty crops “without a firm water supply?” Is this the public's investment for a cheap supply of almonds? In 2001, Paramount's president, John McIlvaine, told the American Society of Farm Managers and Rural Appraisers that nearly 80% of California's almonds are exported—mostly to Western Europe and Japan—and that the almond industry is “on the move promoting foreign sales as its production grows larger and larger.”<sup>63</sup> In fact, McIlvaine pointed out that California's tree nut exports have risen steadily over the past 15 years, a trend concurrent with Paramount's increase in acreage in production and the state's overall decrease.



## Irrigating Sprawl

*Water utilities exist primarily to nourish real estate, not people.*

Gray Brechin, *Imperial San Francisco*

INTERSTATE-5 IS LITTERED with roadside banners facing the oncoming traffic with messages such as “Food Grows Where Water Flows” and “Farm Water Feeds the Nation.” Is Paramount feeding the nation? Which nation?

The *Bakersfield Californian* reported that Paramount is “most interested in selling water to Los Angeles.”<sup>64</sup> Though they said that such sales were most likely not going to take place any time too soon, officials from the Los Angeles Department of Water and Power have already “had early talks with representatives of Paramount Farming Co. and other participants in the Kern Water Bank about possible purchase of an as-yet-unspecified amount of water.”<sup>65</sup> In an interview with the *Californian*, Paramount’s Bill Phillimore said “sales from the water bank were contemplated from the time the bank was acquired by Kern County water agencies in 1995.”<sup>66</sup>

Other sales have already taken place. WV Acquisitions, one of Roll International’s Delaware corporations, recently sold Newhall Land and Farming Company 5,099 acre-feet of its SWP annual water entitlement.<sup>67</sup> Newhall Land and Farming Company plans to build a “new city” of over 20,000 housing units and 3.58 million square feet of commercial space in bone-dry northwestern Los Angeles County. After years of controversy and lawsuits, the project was recently approved by the LA County Board of Supervisors and the Superior Court.<sup>68</sup>

Newhall has gone on a buying spree where the most cherished item on sale is SWP contract entitlements, or “paper water.” These entitlements are contract promises, so to speak, from the state. During wet years, DWR will deliver at best most of the contracted water. During drought years, it might not deliver any at all. This is why the changes to the SWP contracts ironed out in Monterey are so important to the brokers in water: holding the state accountable for its original—undeliverable—contracts enables the contractors to sell “paper water” that won’t be missed by their parched crops.

The Third District Court of Appeal that ruled against DWR in the Monterey Amendments case of 2000 declared that “Paper water always was an illusion. ‘Entitlements’ is a misnomer, for contractors surely cannot be entitled to water nature refuses to provide or the body politic refuses to harvest, store, and deliver. Paper water represents the unfulfilled dreams of those who, steeped in the water culture of the 1960s, created the expectation that 4.23 million acre-feet of water could be delivered by a SWP built to capacity.”<sup>69</sup>

Corporations and water agencies are trading in “paper water” as a way of “gaming” the water in California to keep the severely over-stretched public water projects pumping water to the highest bidder. Though the contracts referred to as “paper water” do not correspond to deliverable water quantities—as noted in the Third District Court of Appeals

*PCL v DWR* decision—they function as a siphon to pull as much water as technologically possible out of the Delta. Real estate development corporations can use “paper water” contracts to get their projects approved without having a secure water supply. Once the projects are built, and the people about to move in, the corporations can use the contracts to demand water deliveries from the state. Such deliveries would most likely come through purchasing water rights from small farmers (potentially driving them off their land), not to mention continuing to neglect existing rural communities without access to safe drinking water and the deteriorating Delta environment.

Newhall is trying to purchase SWP water entitlements from Castaic Lake Water Agency.<sup>70</sup> Castaic, in turn, is attempting to double its SWP water entitlements by purchasing more from such water dealers as the Kern County Water Agency, and its member districts Berrenda Mesa Water District and Belridge Water Storage District.<sup>71</sup> Paramount’s president and vice-president are presidents of the boards of directors of Berrenda Mesa and Belridge respectively.<sup>72</sup> Paramount is apparently thus well poised to sell even more “paper water” to the largest prospective developer in California.

Newhall also purchased 55,000 acre-feet of storage capacity in the Semitropic Water Storage District—one of the participants in the Kern Water Bank Authority.

With control over water storage facilities, the largest agribusiness companies like Paramount can hold on to enough water to do the impossible in a severely over-drafted groundwater basin: increase their production *and* sell to developers. Also, with development companies able to buy in directly to the storage facilities as well as purchase “paper water,” they can argue before the courts that their water supply is reliable, on paper.

Lynne Plambeck, an activist with the Santa Clarita Organization for Planning the Environment (SCOPE) and an ardent opponent of the Newhall Ranch project, said that control over storage facilities like the Semitropic Water Storage District and the Kern Water Bank is “a way of controlling water without actually owning water.”<sup>73</sup> Private facilities can favor developers over farmers and large corporations over small businesses by charging less to those who store large amounts of water. One company or individual, Ms. Plambeck said, “can take up the storage facility with a lot of water, and then a drought comes along...They can corner the market with no public oversight, just like Enron.”<sup>74</sup>

Private storage facilities are not subject to public oversight through laws such as the California Environmental Quality Act (CEQA), Ms. Plambeck said: “When the water goes into storage facilities in the Kern Fan, there is no oversight, no CEQA. The public only has a chance if there is a CEQA process.”<sup>75</sup>

And what happens when the water isn’t there? With the houses built and the new dwellers moved in, the developers will push for new dams and more pumping of water from the north to save the stranded residents from drought. The losers will be the same: the rural communities in the north and throughout the valley, the tax and ratepayers who ultimately have to pay for it all, and the environment upon which all Californians depend.



## Blaming the Environment

IN A SERIES OF ARTICLES written in 2002 on water issues in California, the *Sacramento Bee* profiled Kern County as “the hub of the water trade.”<sup>76</sup> Dale Kasler, water correspondent for the *Bee*, reported that Kern water districts generated more than \$100 million by selling water to cities throughout the state. In 2001, the Kern County Water Agency bought water from the SWP for \$161 an acre-foot and then sold it back to the state’s Environmental Water Account (EWA) for \$250 an acre-foot, amassing \$29 million. Paramount’s Westside Mutual Water Company sold water it had previously “banked” in the Kern Water Bank to the EWA in 2000. All told, Kern Water Bank participants sold a total of 72,000 acre-feet to the EWA that year. Jim Nickel sold 10,000 acre-feet to the EWA for a total of \$4.6 million, at “an eye-popping \$460 an acre-foot.”<sup>77</sup> What is even more “eye-popping” is that taxpayers throughout the state foot the bill for these sales.

The Environmental Water Account is a taxpayer-subsidized scheme that enables corporate agriculture to get around state and federal endangered species acts. It was created by CALFED, the state and federal collaborative effort to mitigate the continued devastation of the San Francisco Bay/Sacramento-San Joaquin Delta Estuary. CALFED is another step-child of the 1987-1992 drought that inspired the Monterey Amendments.

When the federal or state fisheries notify DWR of “high incidental intake”—when the pumps used to lift the SWP water uphill are sucking up too many endangered species—DWR slows down its pumping and monitors the

amount of water *not* being pumped. DWR offers to purchase water from users south of the pumps and then deliver that water to contractors with higher value crops.<sup>78</sup> As a result, the water not pumped from the Delta is said to have been purchased for the environment. “Anytime by law exporters [SWP contractors] would have to stop pumping due to environmental or water quality conditions in the Delta, taxpayers buy replacement water for them,” said Michael Jackson, a water attorney with the California Water Network who works with rural counties in Northern California.<sup>79</sup>

According to the chief of water transfers for the DWR, Jerry Johns, the EWA “is an example of a market remedy to help the environment.”<sup>80</sup> The Public Policy Institute of California goes even further, saying that “[m]arket growth in the aftermath of the drought has been largely driven by environmental concerns.”<sup>81</sup> Indeed, stronger environmental laws and advocacy have driven the largest SWP contractors to finagle market mechanisms to maintain undiminished SWP deliveries (secured by the “no net loss to exports” provisions for the EWA).<sup>82</sup>

The EWA enables market advocates to green-wash water sales. Advocates say that the program may be “a solution for creating more instream flows for endangered fish and habitat.”<sup>83</sup> However, this is misleading. Agribusinesses and developers are not turning back water into the Delta. Rather, when their pumping threatens the continued existence of such species as winter-run salmon, the state pays to send them a quick fix.



## The Napa Proposition

IN JULY OF THIS YEAR (2003) the Federal Bureau of Reclamation, the California Department of Water Resources (DWR), and representatives from the largest agricultural and urban water districts in California—including the Westlands Water District, the Kern County Water Agency, and the Metropolitan Water District of Southern California—met in Napa in a series of closed, mediated sessions (by the same retired judge who mediated the Monterey meetings in 1994) to, yet again, restructure the state and federal water projects.<sup>84</sup>

As noted by State Senator Michael Machado in a letter to the Editor of the *San Joaquin Record* on August 27, no “representatives of the Delta, environmentalists or anyone one else outside their small circle” were included in the meetings.<sup>85</sup>

The agreement that resulted from the meetings, called the Napa Proposition, plans to further integrate the SWP and the CVP. Such integration will allow landowners, principally in the San Joaquin Valley and Southern California, to trade off the federal project’s superior storage capacity and the state project’s greater pumping capacity with one goal in mind: to continue pumping water to agribusinesses, developers and water marketing barons in Southern California, unabated by either federal or state endangered species acts or water quality issues in the Delta.

Giving SWP contractors access to CVP storage capacity violates the later project’s federal acreage limitations by enabling landowners, like Paramount, with over 100,000 acres to profit from federally funded infrastructure.

Increasing the SWP’s pumping capacity violates the intent of the Delta restoration efforts and the federal and state endangered species acts by manipulating the technology to pump more water south at faster rates, ignoring the long-term effects of such levels of water exports on the environment.

The Napa Proposition would continue and greatly exacerbate the negative impacts of the Monterey Amendments, allowing the SWP and CVP to juggle water to maintain unsustainable exports for unsustainable development, unsustainable industrial agricultural practices and taxpayer-subsidized water sales among the state’s largest landowners.



*The State Water Project's California Aqueduct is a vital public asset that must be administered as an integral part of California's public utilities for all Californians, not as private property for a few.*

## Public vs. Private Property

WATER MARKETS, much less insider trading regimes, are incompatible with California's constitutional protection of water as a public trust. The concept of private property that is essential to functioning markets cannot justly be superimposed on the state's public trust doctrine or the taxpayer-funded public water projects that gather, deliver, and store water. The state grants the right to *use* water, not to *own* it.

California state law considers water to be public property, not private. Article 10, Section 2 of the California State Constitution states:

It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.<sup>86</sup>

The architects of the backroom Monterey and Napa meetings, however, have come up with a way to privatize the state's water resources in violation of the constitution. What advocates are now calling a water market is actually a public rip-off designed by and for large corporations in monopoly-like situations.

Moreover, this "market" both survives and thrives on overstating water supply so as to make millions in profit on "paper water." The imbalance between supply and demand does not stop there: paper water sales allow massive developers like Newhall to create and profit from demands that were previously nonexistent. By building housing developments in the desert where no natural water supply exists, developers will use the "build it and the water will flow" logic to create further unsustainable reliance on water diversion from the north. Thus, far from making "more efficient use of existing supplies through reallocation," the architects of California's water market have rigged a system where water continues to flow to money. This is not efficient, much less just.

Joseph Sax, in his landmark essay *The Public Trust Doctrine in Natural Resource Law: Effective Judicial Intervention*, writes that, of the ideas that underpin the public trust doctrine in American law, the idea with the "greatest historical support holds that certain interests are so intrinsically important to every citizen that their free availability tends to mark the society as one of citizens rather than of serfs. It is thought that to protect those rights, it is necessary to be especially wary lest any particular individual or group acquire the power to control them."<sup>87</sup>

The state's giveaway of the Kern Water Bank and its backroom deregulation of the State Water Project have done just that: given the power to control California's water and the multi-billion dollar public projects that move that water to a particular group of private corporations.



*Local and statewide activists and union members fight to keep water utilities under public control in Stockton, CA.*

## End Game: Time for a Vibrant Water Democracy

PREDICTIONS ESTIMATE that California's population will grow by up to 20 million over the next 20 years. Such growth places strong demands on the state's limited water supplies, and makes the need for a publicly accountable, equitable, and environmentally sustainable system of water distribution all the more imperative. It will be possible to meet the state's water needs, but not if private interests such as Paramount are allowed to control—and profit from—key public water resources like the Kern Water Bank.

Under the public trust doctrine, California's water is held in trust for the people of California, our future generations and the environment. Thus, California's water supplies should be managed with the greatest level of public accountability and oversight to ensure that water is distributed where it is needed most, not where it is most profitable.

California's public water utilities and resources are governed by a plutocracy—a select group of private corporations, individuals, semi-public and public officials all working in tandem to “game” water policy in the state. They meet in

closed sessions and rewrite public policy, tailoring their edits to the interests of monopoly-like agribusiness corporations and real estate developers. Is this a conspiracy theory? No. It is just business as usual.

The water plutocracy must be replaced with a vibrant water democracy.

To protect California's water from profiteering:

### **Return Kern Water Bank to Public Control/ No More Public Giveaways**

The Department of Water Resource's decision to give away the Kern Water Bank should be immediately reversed. The state's giveaway of this valuable resource to allegedly “local agencies” was in violation of the public trust doctrine and the California Environmental Quality Act and should never have taken place. Local control of this resource has become tantamount to private corporate control. Paramount and its Westside Mutual Water Company should never have been

allowed to “own and operate the water bank,” especially in light of their confessions to Bakersfield reporters that sales from the bank were in their plans from the very beginning. The privatization of this vital public resource should be reversed.

### **Repeal the Monterey Amendments**

The Monterey Amendments—the backroom restructuring of the State Water Project—usurped participatory democracy in California water policy. The “amendments” also perpetuate and gravely exacerbate the environmental detriment and social injustices established by the water plutocracy that has gamed tax and ratepayers for decades to raise agribusiness empires on subsidized water deliveries. The Monterey Amendments should be repealed and the State Water Project contracts should be rewritten with an eye to water conservation and environmental restoration as well as the original stated purpose of the project to reallocate California’s water resources in an *equitable* manner.

### **Eliminate Paper Water**

The Department of Water Resources continues to maintain on paper that the State Water Project can deliver almost twice as much as nature provides. After decades in operation, it is clear that the paper contracts do not match reality. The water “entitlements” of the twenty-nine State Water Project contractors should be re-drafted to fit the actual capacity of the project to deliver. Such re-drafting is provided in the original article 18(b) that contractors struck from the contracts in the closed Monterey meetings. Local and regional land-use planning decisions should be re-evaluated to ensure that developments have not been permitted based on water supplies that do not exist.

### **No Resale of State Water Project Water**

The individual contractors that receive state project water should not be allowed to profit from reselling that water, whether it is back to the state Environmental Water Account or to real-estate developers. Furthermore, after decades of overdraft, pollution, and watershed devastation, the California and Federal cooperative venture known as CALFED requires that water quality be restored in the San Joaquin Delta and the rivers that feed into it. Clearly, there is no “surplus” water to be traded among corporations. Paramount and

other private interests must not be allowed to hoard water to sell at a later date.

### **Democratize Water and Irrigation Districts**

Water and irrigation districts that receive public water deliveries from the State Water Project (SWP) should be open, transparent, and accountable to the public. Most water and irrigation districts that receive SWP water are controlled by large-landowners driven by their interest in paying as little as they can for as much water as they can get. With the twin goals of expansion and profit, landowners such as Paramount make decisions over public resources without being held publicly accountable. There should be elected, public representatives on the boards of such districts who would represent the non-landowning population affected by water policy decisions made most often in closed sessions and meetings.

The Kern Water Bank’s accounting of stored and transferred water—where the water deliveries come from, and where they end up—should be immediately disclosed to the public. All water trades and transfers should be publicly recorded with full disclosure of the financial terms of the agreement, as well as the identities of the buyers and the sellers. All water delivery, storage and transfer deals should be made with full and meaningful participation of the public.

NATURE PROVIDES ENOUGH WATER for California to meet all of its needs: to sustain water-efficient family farms and industries; to provide safe drinking water to present and future generations; and to restore and maintain California’s much-abused environment. Nature provides enough water; that is, unless mismanagement and greed intervene and allow for the state’s public water supplies to be manipulated for profit. Too much is at stake to let this water heist continue.

## Get Involved

### About Public Citizen's *Water for All* Campaign

Public Citizen is campaigning to protect universal access to safe and affordable drinking water by keeping it in public hands. Public Citizen does not believe that citizens benefit from privatization of their water and wastewater systems because the sale of public works to private companies can foster corruption and result in rate hikes, inadequate customer service and a loss of local control and accountability.

### Public Citizen List Serves

Public Citizen maintains two water-related email lists. The Water for All list focuses on national and international efforts to protect water as a human right and includes action alerts, news articles, reports and the monthly newsletter of the Water for All campaign, Currents. The California Water for All list includes issue updates, campaigns action alerts, and Currents.

To subscribe to the Water For All list, send an email to [cmep@citizen.org](mailto:cmep@citizen.org) with "subscribe Waterforall" in the message.

To subscribe to the California Water for All list, send an email to [cmep@citizen.org](mailto:cmep@citizen.org) with "subscribe Waterforallca" in the message.

### Groups Working on Water Issues in California

#### **Alliance for Democracy**

1223 Sequoia Place  
Davis, CA 95616  
phone 530.758.0726  
<http://www.thealliancefordemocracy.org>

#### **California Water Network**

808 Romero Road  
Santa Barbara, CA 93108  
phone 805.969.0824 fax 805.565.3394

### **Center for Race, Poverty and the Environment**

1224 Jefferson St., Suite 25  
Delano, CA 93215  
phone 661.720.9140 fax 661.720.9483

### **Community Alliance with Family Farmers (CAFF)**

36355 Russell Blvd.  
Davis, California  
phone 530.756.8518 fax 530.756.7857  
<http://www.caff.org>

### **Environmental Justice Coalition for Water**

1010 11th St., Suite 305  
Sacramento, CA 95814  
phone 916.341.0612 fax 916.341.0401  
[www.ejwatercoalition.org](http://www.ejwatercoalition.org)

### **Santa Clarita Organization for Planning the Environment (SCOPE)**

P.O. Box 1182  
Canyon Country, CA 91386  
phone 661.255.6899, extension 2  
<http://www.scope.org>

### **Sierra Club, Angeles Chapter**

3435 Wilshire Blvd., #320  
Los Angeles, CA 90010  
phone 213.387.4287 fax 213.387.5383  
<http://angeles.sierraclub.org>

### **United Farm Workers (UFW)**

1010 11th St., Suite 305  
Sacramento, CA 95814  
phone 916.341.0612 fax 916.341.0401

## Glossary

**! CREEFOOT** An acre-foot of water is the amount of water necessary to fill an area of one acre to a depth of one foot, or about 325,000 gallons. One acre-foot of water is roughly the amount that two families of four consume in one year.

**# ENTIFAL 6 ALLEY 0 PROJECT 0#60** A Federal Bureau of Reclamation water project consisting of 20 dams and reservoirs, 11 power plants, and 500 miles of major canals. The project delivers about 7 million acre-feet of water annually.

**\$ EPARIMENT OF 7 ATER 2 ESOURCES 0\$ 7 2** The California state agency that is responsible for managing the State Water Project.

**%NTITLEMENT** Also referred to as “Table A Allotment” in the Monterey Settlement, this is the volume of water contracted to State Water Project purchasers.

**%NMFONMENTAL)M PACT 2 EPORT 0#2** The study and report that is required under the California Environmental Quality Act for any large public or private infrastructure project as a means to assess the potential effects of the project on the environment.

**%NMFONMENTAL 7 ATER ! CCOUNT 0#7 !** A component of the CALFED program, the EWA pays SWP water users when water deliveries are slowed down or reduced so that the SWP pumps decrease the amount of endangered fish species that get caught and killed in them.

**\* QINT 0OWERS ! UTHORITY** The agency created when two or more entities enter into a joint powers agreement. A joint powers agreement allows different (usually) public entities to join together in order to exercise their common powers toward a common objective.

**+ERN #OUNTY 7 ATER! GENCY 0-#7 !** The KCWA was created in 1961 to distribute SWP water to Kern County water districts.

**+ERN 7 ATER' ANK** The largest underground water storage facility in the world. DWR spent \$74 million purchasing the land, studying and developing the Kern Water Bank during the late 1980s-early 1990s. DWR gave the water bank to the KCWA in 1995.

**+ERN 7 ATER' ANK! UTHORITY 0-7 " !** A Joint Powers Authority that consists of five water and water storage districts and agencies and one private mutual water company—Westside Mutual Water Company. Westside is in turn owned by Paramount Farming Company. The KWBA was formed immediately after DWR gave away the 20,000 acres that house the Kern Water Bank to the KCWA.

**- ONTEREY ! MENDMENTS** In 1994 DWR met in closed meetings with its largest contractors to rewrite the contracts that govern the SWP. At the end of the meetings the participants drafted a list of 14 principles which they called the Monterey Agreement, after the city in which the meetings took place. The changes to the SWP contracts that resulted from the Monterey Agreement are referred to as the Monterey Amendments.

**0APER7 ATER** The original SWP contracts provided for an annual entitlement amount of surface water to be delivered to contractors upon availability. The SWP has never been able to deliver the contractors’ full entitlements. The contractors, however, still treat the future expectations of the past as reality. One result of the Monterey Amendments was to enable contractors to buy and sell their entitlements. Hence, the entitlements, which stretch far beyond actual water deliveries, allow contractors to sell water that only exists on paper.

**2 0L)INTERNATIONAL# 0FFORATION** Roll International—a Los Angeles-based holding company, incorporated in Delaware—is one of the largest privately owned companies in the world. Roll International owns the Franklin Mint, Teleflora and a collection of agribusinesses—all of which operate in three California counties—that include Paramount Citrus, Paramount Farming, Paramount Farms, Inc. Paramount Farming is a member of the KWBA and owns 48% of the Kern Water Bank. Paramount also owns land in three of the other water districts and agencies that participate in the KWBA.

**3 TATE 7 ATER 0 PROJECT 0\$ 7 0** The SWP is a massive state water diversion and delivery project that comprises 662 miles of aqueducts, 19 dams with a combined surface area of more than 50,000 acres, 20 pumping plants, and ten energy plants producing about 6.5 billion kWh of energy annually. By 2000, Californians had paid more than \$5 billion to build the project and another \$11.9 billion to operate it and finance its debt.

**7 ATER' ANK** Water storage facility that operates like a bank. Participants or customers of the bank “deposit,” or recharge, water and later “withdraw,” or recover, water from their “account.”



## Appendix A—Historical Background

### Water Flows Uphill to Money

CALIFORNIA IS A SEMI-DESERT. The mineral-rich soil of the Central Valley Region receives an average of 10 inches of rainfall a year, though far less falls in the southern portions of the Valley. Southern California's Imperial Valley receives 1 to 2 inches of rain a year. Yet, California's driest valleys are home to the richest agricultural region in the world.<sup>88</sup>

Step off to the side of Interstate 5 on a summer day, bend under a fence, and in the space of an inch you will see the sand turn into green fields. This is the unmistakable precision of industrial irrigated agriculture. Back on the interstate to the east and west, government-run irrigation systems douse crops with water. And as you proceed south on I-5 you will cross again and again one of the bond-funded arteries that makes this all possible: the State Water Project's California Aqueduct.

In California, agriculture consumes 77 percent of all usable fresh water.<sup>89</sup> Most of the water originates hundreds of miles north in the rivers bridled by the Oroville, Shasta and Trinity Dams. The state and federal projects that control the flow and destination of these rivers pipe and pump the water through a grid of nearly 4,000 miles of dams, aqueducts, canals, and reservoirs into the lands of the largest and wealthiest agribusinesses in the country.

By the 1930s, as a result of massive over-pumping, the earliest agribusinesses lowered the San Joaquin water table, the aquifer underlying the San Joaquin Valley, by as much as one hundred feet. Oak trees died and in places the valley floor itself dropped anywhere from 3 to 30 feet.<sup>90</sup> Fearing that they would run out of water within a matter of years, the largest landowners in the region began to push for publicly funded projects to pump water south from Northern California.

The Central Valley Project (CVP) began as a state initiative but failed for lack of funding until the federal government,

and US taxpayers, came to pick it up in 1937. The CVP—the largest and most expensive public works project of its time—pipes some 9 million acre-feet of water from 20 dams and reservoirs to millions of city-dwellers and agribusinesses throughout the Central Valley and the urban San Francisco Bay Area.<sup>91</sup>

The Federal Bureau of Reclamation, the agency that administers the CVP, intended the CVP to break up land monopoly and promote small farms throughout the Central Valley. The project was subject to the 1902 Reclamation Law which put an acreage limitation of 160 acres—increased to 960 acres in 1982—on land eligible to receive CVP water for irrigation.

In 1978, when a federal team of investigators traveled into the largest district receiving CVP water—the Westlands Water District—they discovered that throughout the entire Westlands district there was not a single 160-acre farm. Through sleight of hand, family connections and sheer stubbornness, huge land owners failed to break up their farms and used the CVP water to build agribusiness empires.

California water historian, Norris Hundley, wrote that the CVP failed on both of its objectives: to combat monopoly and promote the family farm. Moreover, the result of the increasing power of landowners, Hundley wrote in *The Great Thirst*, was that "agriculture continued to concentrate in ever fewer hands. The number of farms over a thousand acres increased their combined property from 17.6 million acres in 1920 to 25 million acres in 1945. That trend... accelerated even more dramatically in the decades that followed. Thus did the family farm and local democracy fade from the California countryside."<sup>92</sup>

The California State Water Project (SWP), approved by the legislature in 1959 and by voters in 1960 made even greater



handouts to large growers in the state than the CVP. The state project was not subject to federal Reclamation Law, enabling large growers to expand production and increase acreage without the hassle of token acreage limitations. Moreover, the availability of state water as an alternative to federal water would make the Federal Bureau of Reclamation think twice before harassing the CVP recipients who were in “technical compliance” with the acreage limitations by deeding land to relatives or employees.<sup>93</sup>

The voter-approved bonds enabled the state to undertake the most ambitious water diversion project in history. The only way to get enough voters in Southern California to pass the statewide bond initiative—all assumed that Northern California voters would turn down a project to pay for pumping their water into the hands of Southern California landowners—was to lie about how much it would cost. Governor Pat Brown asserted that the project would cost about a billion dollars less than the estimated cost at the time.<sup>94</sup>

At present, the SWP comprises 662 miles of aqueducts, 19 dams with a combined surface area of more than 50,000 acres, 20 pumping plants requiring more than 60 billion kWh of energy annually, and 10 energy plants producing about 6.5 billion kWh of energy annually.<sup>95</sup> By 2000, Californians had paid more than \$5 billion to build the project and another \$5 billion to operate it and finance its debt.<sup>96</sup>

The Department of Water Resources (DWR) was created from 52 formerly independent state agencies to oversee the State Water Project and administer the delivery of water to the project’s 29 contracting agencies.<sup>97</sup> These agencies range from the City of Yuba, 42 miles north of Sacramento, which had received a total of 10,260 acre-feet by 2000 to the Kern County Water Agency, which had received 26.3 million acre-feet by 2000.<sup>98</sup>

Kern County landowners advocated for both the CVP and the SWP as a way of improving the condition of the groundwater basin. However, with both projects, those very landowners increased the amount of acreage they held in production and thus exacerbated their overdraft of the basin.<sup>99</sup> Overdraft occurs when users pump more water out of the ground than nature can replenish or, in technical jargon, when extraction exceeds recharge. In Kern County, the increased overdraft of aquifers reached over 7 million acre-feet by the late 1970s.<sup>100</sup> According to the last *California Water Plan Update*, overdraft continues now at a pace of one million acre-feet a year.<sup>101</sup>

Marc Reisner, in his indispensable book, *Cadillac Desert*, described the SWP as “one of the country’s foremost examples of socialism for the rich.”<sup>102</sup> While urban water users bore the bulk of the expenses for the project, the corporate farmers got their water at bargain rates.<sup>103</sup>

In a 1981 report by the California Institute for Rural Studies, Don Villarejo writes that from the first SWP water deliveries in 1968 through to 1980, San Joaquin Valley contractors received 63% of the water delivered—almost entirely for agricultural irrigation—while mostly residential Southern California water users paid 70% of the costs of the project. “It is one of the many ironies of the SWP that those who get the most water pay the least, while those who get the least pay the bulk of the costs.”<sup>104</sup> By the mid-1980s Norris Hundley estimates that Southern Californian water users were paying roughly \$25 million a year in water subsidies for corporate agriculture in Kern County.<sup>105</sup>

According to DWR’s Bulletin 132-01, by December 31, 2000, San Joaquin Area contractors had received 32.6 million acre-feet of water. They paid more than \$1.3 billion for that water: an average of \$40 an acre-foot. Meanwhile, contractors in Southern California received 22.5 million acre-feet of water

for a price of \$6.65 billion. That makes SWP water \$295 an acre-foot for Southern California's largely urban users.<sup>106</sup>

### Hidden Government

The federal and state water projects propelled the creation of "hidden" forms of government in California: the water districts and agencies through which landowners exercise control over the state's water.<sup>107</sup>

Norris Hundley notes Kern County's legacy of spearheading the effort to create special water districts for the management of the new water supplies coming from the CVP and SWP. In *The Great Thirst*, he writes that bringing back the concept of property-weighted voting—the allocation of votes based on a property owner's total land value—led to the creation of a variety of new water districts, the further concentration of agriculture in ever fewer hands, and the withering of local democracy. Such districts, he writes: "are ordinarily managed by boards of directors made up of a homogeneous, single interest body of people representing the larger water users and guided by a rigid set of goals: maximization of water use at minimum cost with little or no regard for the environment or for the welfare of the people of California."<sup>108</sup>

The Kern County Water Agency (KCWA), for example, was created by the state legislature in 1961 under the influence of the county's corporate farmers to buy SWP water and then sell it to the local districts where the landowners again formed the boards of directors. As an intermediary, the Agency spread out the cost of the water through a countywide property tax, principally paid by the Bakersfield urban population. Both the intent and the effect of the Agency were to generate water subsidies for large landowners.<sup>109</sup>

The Kern County Water Association—not to be confused with KCWA, the *Agency*—was established and run by the most powerful landowners in the county. It advocated for the creation of the KCWA by the legislature. As Gottlieb and Fitzsimmons note: "The water association had three key goals: subsidies, to keep the price of water low enough to encourage new irrigation; elimination of acreage restrictions, that is, the 160-acre limit imposed—at least in name—on certain federal projects such as the CVP; and creation of a contracting agency on a countywide basis to secure the tax base of the entire county."<sup>110</sup>

The arrival of SWP water through the California Aqueduct set off a "speculative spiral" in Kern County where landowners rushed to expand their acreage and set up water districts to contract for SWP water through the KCWA. "A handful of landowners dominated most of the key water districts affiliated with KCWA, and these districts, in turn, dominated the agency."<sup>111</sup>

KCWA now has 13 member "units" that together contract for an annual total of 1,000,949 acre-feet of SWP water. Agricultural water users hold 88 percent of the contracts while municipal and industrial users hold 12 percent.<sup>112</sup> Corporate farmers in Kern however, have been receiving *more* water than they contract for since the beginning of the SWP, owing to the questionable concept of "surplus" water.

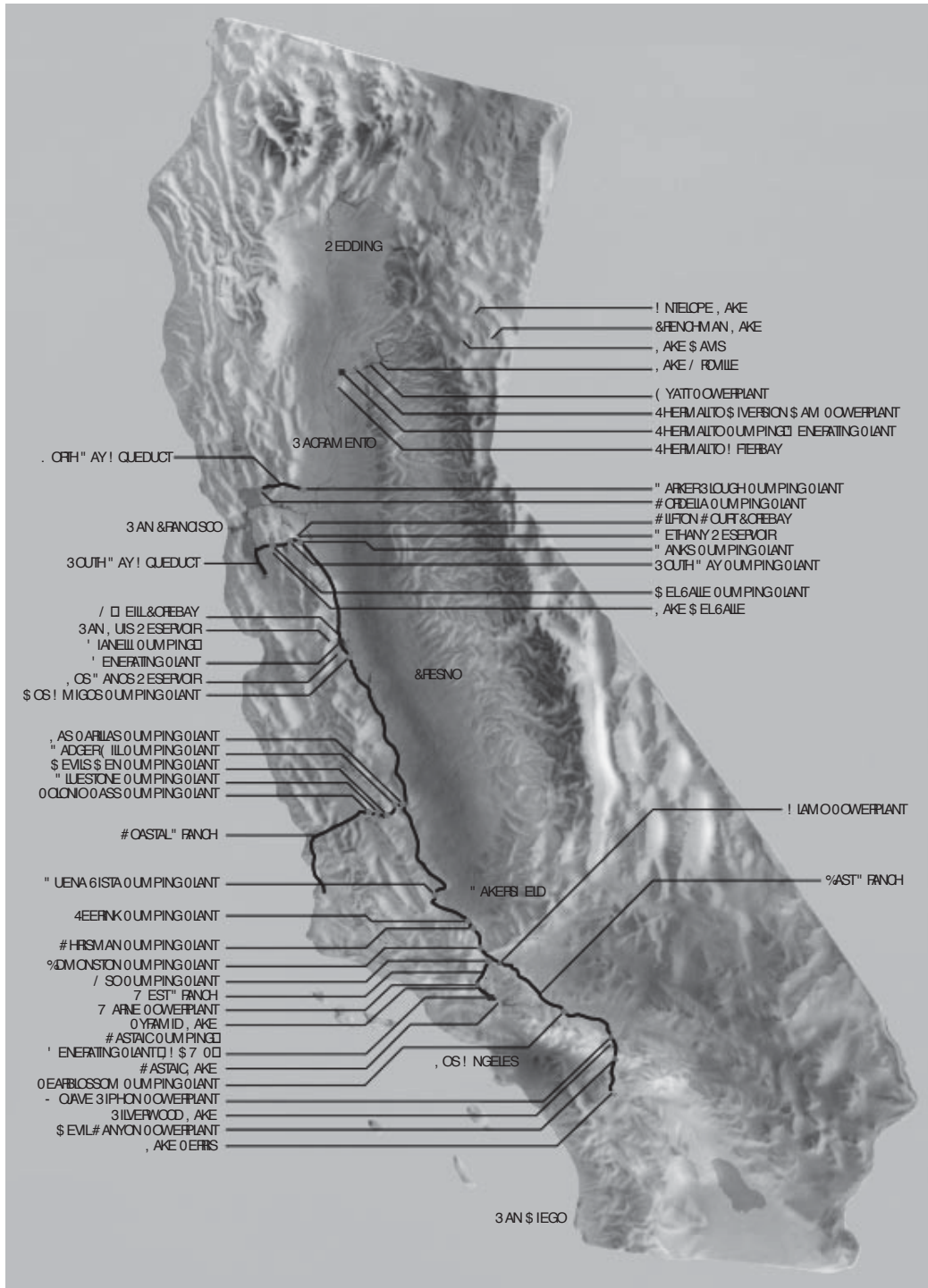
The SWP has never delivered the full 4.1 million acre-feet of water set forth in the original contracts. Average annual deliveries float at around half that amount. How then could there be "surplus" water?

The Metropolitan Water District of Southern California (MWD)—often referred to as The Met—is the largest water agency in California. MWD is a water wholesaler providing "supplemental" water to 27 clients, which in turn serve an area of over 5,000 square miles with a population of 15 million.<sup>113</sup> MWD is also the largest contractor with the SWP, contracting for over 2 million acre-feet of water.

MWD initially opposed the SWP, but signed on four days before the 1959 election.<sup>114</sup> MWD and the Kern County Water Agency came into conflict early on during negotiations over how to distribute the costs of the SWP. The agreement they reached enabled Kern to purchase water at discounted rates. MWD also had to pay for that same water creating "implicit subsidies for the agricultural agency [KCWA] which, by extension, penalized the district [MWD]."<sup>115</sup>

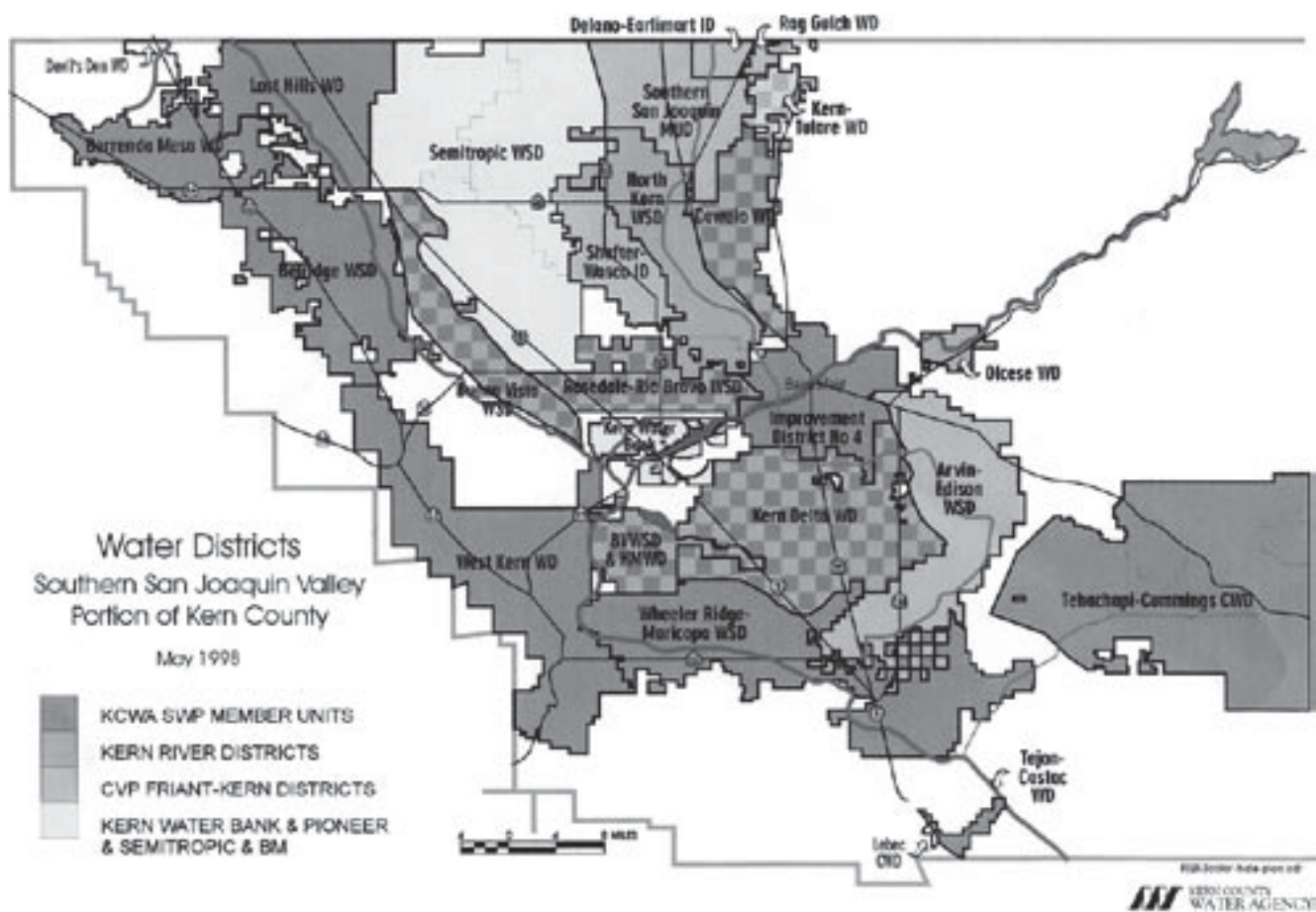
Kern landowners reaped the benefits instantly and have continued to do so ever since. For example, in 1979, KCWA entitlements had increased to 516,300 acre-feet, the agency purchased another 524,247 acre-feet of "surplus water" beyond their contract entitlements. That contracted water cost KCWA member agencies more than \$15 million (or about \$29 an acre-foot) while the same amount of "surplus water" only cost \$2.3 million (or about \$4 an acre-foot). This reduced the overall cost to \$17 per acre-foot.<sup>116</sup>

## Appendix B—Map of State Water Project

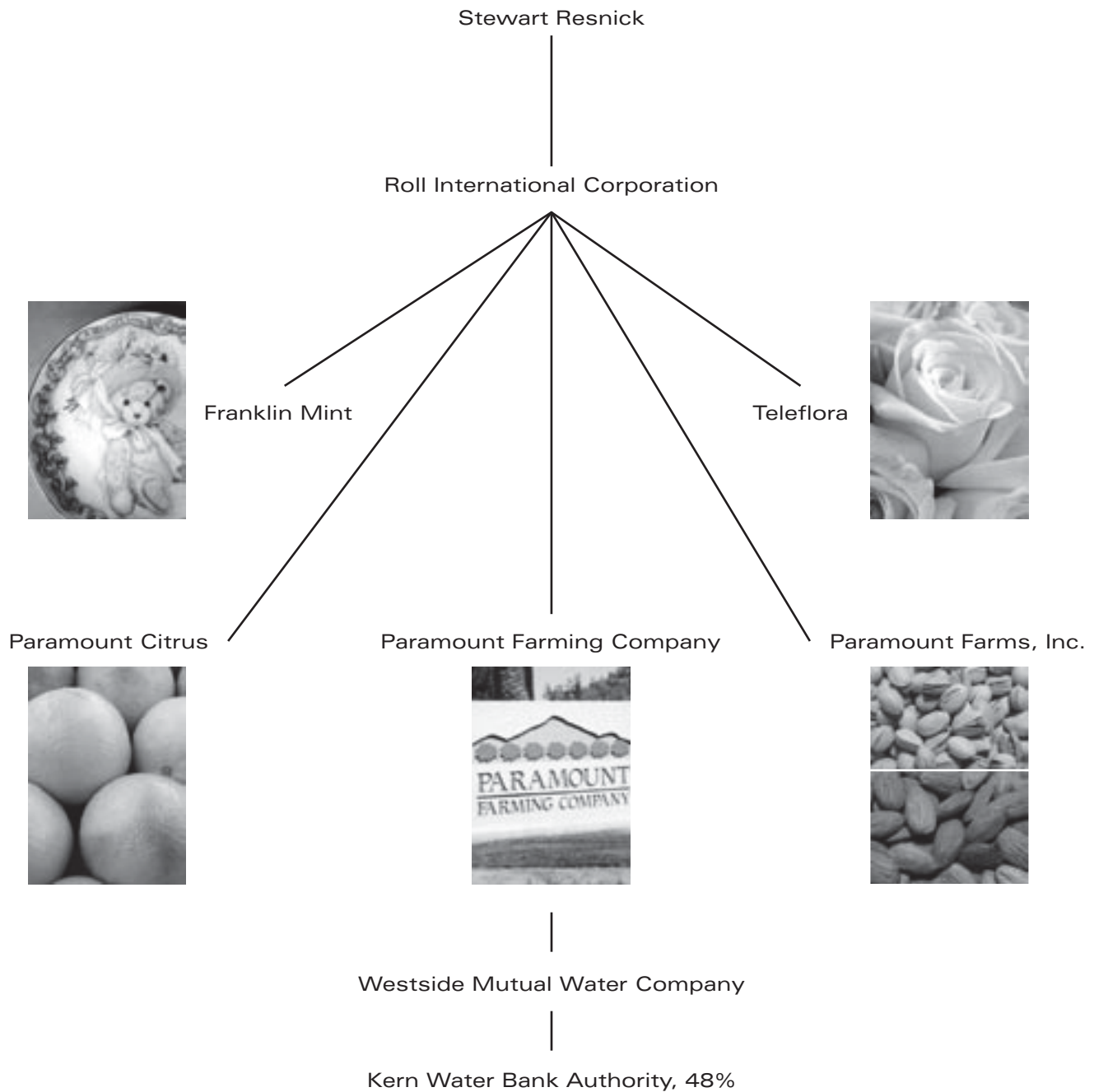


The SWP comprises 662 miles of aqueducts, 19 dams with a combined surface area of more than 50,000 acres, 20 pumping plants, and ten energy plants.

## Appendix C—Map of Water Districts, Kern County



## Appendix D—Roll International Corporation Holdings Diagram



## Endnotes

- <sup>1</sup> California Department of Water Resources, *Overview, History, and Milestones* <<http://www.dwr.water.ca.gov/swp/milestones.cfm>> (17 November 2003).
- <sup>2</sup> California Department of Water Resources, "Management of the California State Water Project," *Bulletin 132-92* (Sacramento: California Department of Water Resources, Dec. 1992) 14-15 and 150-151. Dan Flory, Chief of State Water Project Analysis Office, personal interview, 20 August 2003.
- <sup>3</sup> Dan Flory, personal interview, 20 August 2003.
- <sup>4</sup> Josh Newcom and Elizabeth McCarthy, *Layperson's Guide to Water Marketing*. (Sacramento: Water Education Foundation, 2000), 17.
- <sup>5</sup> James Beck, Assistant General Manager, and Gary Bucher, Water Resources Manager, Kern County Water Agency, personal interview, 29 August 2003.
- <sup>6</sup> Robert Gottlieb and Margaret Fitzsimmons, *Thirst for Growth: water agencies as hidden government in California* (Tucson: University of Arizona Press, 1991), 94.
- <sup>7</sup> James Beck and Gary Bucher, personal interview, 29 August 2003.
- <sup>8</sup> For background information on the Monterey Amendments, see the California Water Network's white paper "The Monterey Agreement—The State Water Project Contracts (SWP)—The Kern Fan Element" (March 2003) and Tim Stroshane, "Monterey Agreement: A Bloodless Coup" *Spillway: California Water, Land and People* 1, no. 2 (2000).
- <sup>9</sup> This requirement was stated in Article 18(b) of the State Water Project contracts. The Monterey Amendments eliminated Article 18(b) from the contracts. See *Hatch and Parent Law Offices* "Monterey Amendments and White Paper" (September 1995) p.10.
- <sup>10</sup> *Planning and Conservation League v. Department of Water Resources* (15 September 2000) 83 Cal. App. 4<sup>th</sup> 892, 912-913 (hereinafter PCL v. DWR).
- <sup>11</sup> *PCL v. DWR*. Also, see California Water Network's white paper "The Creation of 'Paper Water' & State Water Reliability" (March 2003).
- <sup>12</sup> Norris Hundley, Jr. *The Great Thirst: Californians and Water: A History* (Berkeley: University of California Press, 2001), 525.
- <sup>13</sup> *PCL v. DWR*.
- <sup>14</sup> The Settlement Agreement may be accessed online at: California Department of Water Resources, *Monterey Agreement Overview*, <<http://www.montereyamendments.water.ca.gov>> (17 November 2003).
- <sup>15</sup> *Settlement Agreement by and among Planning and Conservation League, Plumas County Flood Control and Water Conservation District, Citizens Planning Association of Santa Barbara County, Inc. and The State of California Department of Water Resources, Central Coast Water Authority, Kern Water Bank Authority, and those State Water Project Contractors identified herein.* (5 May 2003) 22. Available at <<http://www.montereyamendments.water.ca.gov/>> (17 November 2003).
- <sup>16</sup> Carolee Krieger, President of the California Water Network, personal interview, 9 June 2003.
- <sup>17</sup> Tim Stroshane, "Monterey."
- <sup>18</sup> Jonathan Parker, General Manager, and Cheryl Harding, Administrator, Kern Water Bank Authority, personal interview, 11 June 2003.
- <sup>19</sup> Kern Water Bank Authority, "Project Description," (Bakersfield: Kern Water Bank Authority, undated) 2.
- <sup>20</sup> Michael Gardner, "Imperial-federal dispute could torpedo water deal," *San Diego Union Tribune*, 12 September 2003.
- <sup>21</sup> Kern Water Bank Authority, "Project Description," 2
- <sup>22</sup> Jonathan Parker and Cheryl Harding, personal interview, 11 June 2003.
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- <sup>24</sup> Jonathan Parker and Cheryl Harding, personal interview, 11 June 2003.
- <sup>25</sup> *Ibid.*
- <sup>26</sup> *Ibid.*
- <sup>27</sup> Ray Sotero, "Davis names key leaders for his ag-water team." *California Farm Bureau Federation* 2 December 1998 <<http://www.cfbf.com/agalert/1996-00/1998/aa-1202c.htm>> (17 November 2003).
- <sup>28</sup> The staff eventually conceded that Paramount was "associated with Westside."
- <sup>29</sup> Jonathan Parker and Cheryl Harding, personal interview, 11 June 2003.
- <sup>30</sup> *Ibid.*
- <sup>31</sup> *Ibid.*
- <sup>32</sup> The receptionist at Roll International responded to a telephone request to speak with their public information specialist by saying that they do not give information to the public. When

asked who would be the best person to contact with research questions she responded: "I suggest you don't research us" and hung up. The call took place on 1 July 2003.

- <sup>33</sup> Ellen D. Wernick, "Roll International Corporation" in Tina Grant, Ed. *International directory of company histories* Vol. 37 (Farmington Hills: St. James Press, 2001), 337.
- <sup>34</sup> Sunkist, "Sunkist Growers Elect New Board" 6 February 2002. <<http://www.sunkist.com/press/releases/2002-0206.asp>> (17 November 2003).
- <sup>35</sup> Wernick, *International directory*, 337-338.
- <sup>36</sup> Sotero, "Davis names," (17 November 2003). See also: Wernick, *International directory*, 338.
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- <sup>38</sup> Joseph N. DiStefano, "In Delaware, Enron found secrecy and savings," *Philadelphia Inquirer*, 31 January 2002.
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- <sup>41</sup> California Automated Lobbying and Campaign Contribution & Expenditure Search System *Cal Access*, <<http://cal-access.ss.ca.gov/>> (17 November 2003). Search results for "Stewart Resnick," or Filer ID: 499047.
- <sup>42</sup> Sotero, "Davis names," (17 November 2003).
- <sup>43</sup> Paramount Farms, *Paramount Farms Incorporated*, 2003 <<http://www.paramountfarms.com>> (17 November 2003).
- <sup>44</sup> Video on <<http://www.paramountfarms.com>>. Paramount Farming Company owns around 120,000 acres in Kings and Kern counties. See: Dan Bryant, "Paramount Farming taps pomegranate market surge," *Western Farm Press*, 2 August 2003. <[http://westernfarmpress.com/ar/farming\\_paramount\\_farming\\_taps/](http://westernfarmpress.com/ar/farming_paramount_farming_taps/)> (17 November 2003).
- <sup>45</sup> California Farm Bureau Federation, *CFBF.com*, "Facts and Stats About California Agriculture," 2002 <<http://www.cfbf.com/info/agfacts.aspx>> (17 November 2003) and "Food and Farm News," 28 January 2003 <[http://www.cfbf.com/ffn/2003/ffn-01\\_28\\_03.html](http://www.cfbf.com/ffn/2003/ffn-01_28_03.html)> (17 November 2003).
- <sup>46</sup> *Ibid.* and Foreign Agricultural Service, Horticultural and Tropical Products Division "The U.S. Almond Industry: Situation and Outlook," June 2001 <<http://www.fas.usda.gov/http/horticulture/Tree%20Nuts/almonds.pdf>> (17 November 2003) 2.
- <sup>47</sup> Harry Cline, "Pistachios may hit 144 million pounds" *Western Farm Press* 6 September 2003 <[http://westernfarmpress.com/ar/farming\\_pistachios\\_may\\_hit/index.htm](http://westernfarmpress.com/ar/farming_pistachios_may_hit/index.htm)> (17 November 2003).
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- <sup>50</sup> Wernick, *International directory*, 338.
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- <sup>54</sup> Dennis Pollock, "Ag loses ground in state" *Fresno Bee*, 5 June 2003. <<http://www.fresnobee.com/business/story/6899634p-7835870c.html>> (17 November 2003).
- <sup>55</sup> See the video on Paramount Farms available online at: <<http://www.paramountfarms.com>> (17 November 2003).
- <sup>56</sup> Parker, Harding and Scott Hamilton, Resource Planning Manages, Paramount Farming Company, personal interviews, June and July 2003.
- <sup>57</sup> Vic Pollard, "Kern Water Bank will likely stay with county," *Bakersfield Californian*, 27 January 2003 <<http://www.bakersfield.com/local/story/2530749p-2583014c.html>> (17 November 2003).

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- <sup>59</sup> *Ibid.* Italics added.
- <sup>60</sup> City of Bakersfield, Economic and Community Development Department, <<http://www.ci.bakersfield.ca.us/edcd/>> (17 November 2003).
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- <sup>66</sup> *Ibid.*
- <sup>67</sup> "Agreement for the Reservation of Water." Dated 12 March 2001. Signed by John MacIlvaine for WV Acquisition Corp. and Steven D. Zimmer for Newhall Land and Farming Company. On file at Public Citizen.
- <sup>68</sup> Richard Fausset, "Supervisors OK Newhall Ranch," *Los Angeles Times*, 28 May 2003 and Richard Fausset, "Newhall Project Gets OK to Build," *Los Angeles Times*, 28 October 2003.
- <sup>69</sup> PCL v. DWR
- <sup>70</sup> Patti Shea, "Agency to Search Newhall Ranch," *The Signal*, 1 June 2002.
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- <sup>72</sup> Water Association of Kern County, *Who's Who in Kern County Water*, <<http://www.wakc.com/whoswho.htm>> (17 November 2003).
- <sup>73</sup> Lynne Plambeck, personal interview, 10 June 2003.
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- <sup>76</sup> Dale Kasler, "Kern county a hub of the water trade" *Sacramento Bee* 14 July 2002 <[http://www.sacbee.com/content/news/projects/liquid\\_assets/story/3572159p-4600478c.html](http://www.sacbee.com/content/news/projects/liquid_assets/story/3572159p-4600478c.html)> (17 November 2003).
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- <sup>81</sup> Ellen Hanak, *Who Should Be Allowed to Sell Water in California? Third-Party Issues and the Water* (San Francisco: Market Public Policy Institute of California, 2003), 15.
- <sup>82</sup> Tim Stroshane, "Rural Counties connect dots for Environmental Water Caucus," *Spillway News*, (Summer 2002), 2.
- <sup>83</sup> Josh Newcom, "Is the California Water Market Open for Business," *Western Water*, (March/April 2001), 12.
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- <sup>85</sup> Michael Machado, "Letter to the Editor: Water plans need results," *San Joaquin Record*, 27 August 2003.
- <sup>86</sup> Available online at: <[http://www.leginfo.ca.gov/const/article\\_10](http://www.leginfo.ca.gov/const/article_10)> (17 November 2003).
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- <sup>88</sup> Kenneth W. Umbach, "A Statistical Tour of California's Great Central Valley" *California Research Bureau* August 1997. Online at: <http://www.library.ca.gov/CRB/97/09/#Heading1> (last accessed 17 November 2003). For information and stunning visual images on the Central Valley and the impacts of water diversion projects discussed in this report, see Jon Else's PBS Documentary *Cadillac Desert. Program 3: The Mercy of Nature*.
- <sup>89</sup> Hundley, *Great Thirst*, 9, also fn.11, 568.
- <sup>90</sup> Hundley, *Great Thirst*, 239 and Devin Galloway and Francis S. Riley "San Joaquin Valley, California: Largest human alteration of the Earth's surface" in Devin Galloway et. al. eds. *Land Subsidence in the United States* U.S. Geological Survey Circular 1182 available online at: <<http://water.usgs.gov/pubs/circ/circ1182/pdf/06SanJoaquinValley.pdf>> (17 November 2003) and CALFED Bay Delta Program *Final Programmatic EIS/EIR* (Sacramento: CALFED Bay Delta Program, July 2000) 5.4-12.
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- <sup>93</sup> Hundley, *Great Thirst*, 276.
- <sup>94</sup> See the interview with Pat Brown in: Malca Chall. *California Water Issues, 1950-1966*. (Berkeley: Bancroft Library Oral History Program, 1981). Marc Reisner wrote: "'Lie' is a strong word, but in this case it is advised, because one day Pat Brown would all but admit it himself." See: Marc Reisner. *Cadillac Desert: The American West and Its Disappearing Water* Revised and Updated. (New York: Penguin Books, 1993) 351.
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- <sup>104</sup> Villarejo, *New Lands*, 2.
- <sup>105</sup> Hundley, *Great Thirst*, 297.
- <sup>106</sup> Department of Water Resources, *Bulletin 132-01*, p.12
- <sup>107</sup> See Gottlieb and Fitzsimmons, *Thirst for Growth*.
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- <sup>109</sup> Gottlieb and Fitzsimmons, *Thirst for Growth*, 94.
- <sup>110</sup> *Ibid*, 94.
- <sup>111</sup> *Ibid*, 96-97.
- <sup>112</sup> Kern County Water Agency, *Annual Report 2000*, 10.
- <sup>113</sup> Gottlieb and Fitzsimmons, *Thirst for Growth*, 5.
- <sup>114</sup> Hundley, *Great Thirst*, 290.
- <sup>115</sup> Gottlieb and Fitzsimmons, *Thirst for Growth*, 16.
- <sup>116</sup> *Ibid*, 97.





California Office  
1615 Broadway, Ninth Floor  
Oakland, CA 94612

telephone 510.663.0888 fax 510.663.8569

[www.citizen.org/california](http://www.citizen.org/california)

[jgibler@citizen.org](mailto:jgibler@citizen.org)

**Agenda Item No: 14 • Meeting Date: October 1, 2013**

**Presented By: Unknown**

**Rec'd prior to the meeting & posted on: September 30, 2013**



**Fw: U.O. & Vested Rights**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 11:13 AM

**Debbie Arnold**

Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 11:13 AM -----

From: "Steve Sinton" <sjsinton@earthlink.net>  
To: "Debbie Arnold" <darnold@co.slo.ca.us>  
Date: 09/29/2013 10:52 PM  
Subject: U.O. & Vested Rights

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Debbie,

The ag people I've been talking to are of several minds on the vested rights language, except that everyone thinks it will lead to litigation if left unchanged. We all agree that it is fundamentally unreasonable and will almost certainly exclude every project that is in the "pipeline" from being considered "vested", no matter how far advanced it is. Some people think we should try to amend the language to make it fair and equitable, but I personally believe that this language should be sent back to staff with the instruction to meet with stakeholders and determine how to make it fair and equitable. I can't see how a couple of weeks delay will hurt anyone, but the current language will hurt everyone except maybe some attorneys.

Just to give one example of how this language doesn't work, if I were well advanced in developing a new vineyard, I would have contracted with a nursery to take my grape cuttings last winter or early spring and graft them on to rootstock I have chosen. I would have had to pay for most, if not all of that cost in advance. The plants would be growing somewhere in the San Joaquin Valley right now and delivered to me either this coming winter for a dormant plant, or more likely next May or June for a "green grow" planting. I would also have hired an engineer to design the irrigation system, but I may or may not have actually installed it yet. I could quite reasonably have decided to wait until after harvest when things settle down. The Urgency Ordinance was adopted in the middle of all that.

I'm sending the same message to Vicki Shelby.

Steve

**Fw: EmergencyOrdinance****Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 11:33 AM

**Debbie Arnold**Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 11:33 AM -----

From: "Serena Friedman, MD" <serenasoffice@aol.com>  
To: darnold@co.slo.ca.us  
Date: 09/30/2013 10:45 AM  
Subject: EmergencyOrdinance

---

Dear Debbie,

As owners of about 640 acres in Paso Robles and San Miguel you can well imagine how affected we are by the Emergency Ordinance. While we had taken "personal responsibility" with the advice of the older farmers and dug deeper wells and put in Reservoirs to allow for reasonable pumping of water to our grape vines at times least likely to have evaporation loss from our micro drippers, none the less we are affected by this ordinance. We know we are inhibited from new planting on our property on Highway 46 East in Paso Robles. This of course devalues this land and deprives us of the right we understood we had to the water below our property. To renew this Ordinance without knowing how much rain we will have in the next year sounds to me illogical, having lived through the "100 year rain" here in Paso Robles not that long ago.

The California Water District proposed by PRAAGS seems to me to be the most logical approach to this problem. This can insure a fair mechanism to bring in water and allow formation by Residential Users via Association entities to also get water from this District mechanism. The major costs would be born by the largest users of this water, helping out those Residential users. Why in God's name the political entities gave away their rights to outside water is beyond my comprehension but now is the time to correct this expeditiously. We do NOT feel that a water district formation by the County Public Works Dept. is the right thing to do. They, as you know, under the "guidance" of the Board of Supervisors as it is now constituted, have little sensitivity to the needs of Agriculture which is the ENGINE for the North County: be it the Hospitality industry, restaurants, hotels, shops, wine tasting rooms, sales of wine and other agricultural products and more. Everyone is affected if water is restricted for Agricultural use. I must say that the trust in the County Public Works Dept. to look out for the survival of Agricultural entities is not there. We feel that too many of the Board of Supervisors are listening to voices of Residents, many with too shallow wells on their properties that need revision, and not the Economic Outlook for ALL the citizens. After all, we create jobs at our vineyards and wineries. We at Four Sisters Ranch and at Oak Creek Vineyard and at our winery employ so many people, support their families, buy so many products from the local community and work to conserve water in all the ways we can.

Please let us know that your efforts will be to promote bringing new sources of water to the area, limiting the time duration of this Emergency Ordinance to allow review for each short term renewal, support the State Water District as proposed by PRAAGS, and see that short term

solutions can occur for those Residential users: water trucks and tanks, shared water sources with financing by the County for pipe connections, low interest loans for people to dig their wells deeper, etc.

Short of rain dances I do not know the future of climate change for more rain. But I do know there is plenty of water not far from us. Let us access this water source QUICKLY, and we need your help.

Cheers! Serena

(Busy with the harvest and getting wine samples for our shipment to the Hong Kong Wine Show tomorrow so I will not be able to attend the Board of Supervisors meeting October 1. I hope you will express our dismay at what is happening, and what is NOT happening.....running out the clock to get the 5th Supervisor appointed and then God knows what further water use restrictions will be imposed to kill off the Agricultural Industry. You are one of our voices.....)

*Serena Friedman, M.D.*

Four Sisters Ranch, Paso Robles

[serenasoffice@aol.com](mailto:serenasoffice@aol.com)

Simi Valley, CA 93065

[www.foursistersranch.com](http://www.foursistersranch.com) [www.serenasvineyard.com](http://www.serenasvineyard.com)

Skype: winefrompasorobles

*....passion flows from our wine....*



**Fw: Exemptions based on vested rights**

**Board of Supervisors** to: cr\_board\_clerk Clerk Recorder,  
BOS\_Legislative Assistants Only

09/30/2013 01:07 PM

Sent by: **Cytasha Campa**

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/30/2013 01:07 PM -----

From: Daniella Sapriel <info@hummingbirdhouse.org>  
To: BOARDOSUPS@CO.SLO.CA.US, kgriffin@co.slo.ca.us, bgibson@co.slo.ca.us,  
fmecham@co.slo.ca.us, ahill@co.slo.ca.us, darnold@co.slo.ca.us  
Cc: ccampa@co.slo.ca.us  
Date: 09/30/2013 12:50 PM  
Subject: Exemptions based on vested rights

---

Dear Ms. Campa,

Please put in the public record for the Board meeting tomorrow, and distribute as appropriate to all Supervisors and their LA

Dear Chairman Gibson and Supervisors Hill, Mecham and Arnold,

I very much hope that the Board, in consultation with County Counsel, will do an in depth analysis of the "vested rights" issue and draw the line as narrowly as possible. In reviewing the request for exemption received from Roll Global LLC (using the purchased name Justin) several issues struck me as disingenuous. First of all, just because Roll Global purchased the Justin name and assets in 2010 doesn't make them local or give them cover for their far from "conservative" planting practices. The request for exemption details the Justin history and the Justin name as if buying the name makes Roll Global LLC, a corporate conglomerate, part of our local heritage. They are not. Their allegiance is to their shareholders, not to our County. And their reputation, which precedes them, is not benign.

(Interestingly, although they tout the Justin name as cover, they refer to the Hardham ranch they purchased simply as the "Creston property", probably to avoid reminding people the well-known fact that the decedent owner of the property was adamantly opposed to transforming the previously dry-farmed property into vineyards. A wish she should have put in the form of deed restrictions, but apparently unwisely trusted her heirs to honor.)

Additionally, the request for exemption based on the expenditure of more than half a million for vines is based on little more than an accounting gimmick, given that Roll owns Vintage Nursery. Parties claiming a vested right based on expenditures need to be required to show that they attempted to mitigate their damages by reselling or otherwise avoiding the loss. If, as claimed, there is a shortage of available nursery stock, there is no reason Vintage can't resell the vines somewhere else. For Roll to claim they "forfeit" the money when they "forfeit" it to another Roll-owned entity is disingenuous. If the vines were not purchased from Vintage, they can still be transferred to the Vintage Nursery for resale. Unless Roll can prove they are unable to resell the vines, the "loss" is illusory and not sufficient to justify an exemption.

Obviously, there are some vineyard owners where the vested right exemption is fair and justified, but I hope the Board doesn't take anything at face value when dealing with parties whose reputation for rapacious land and

water practices precedes them into this County.

Finally, the Board should note that the Roll Vineyards must be doing something special to their vines to cause them to be the fastest growing, most luxuriant vineyards ever planted in North County, because for vines planted early this year they have grown faster than any vines I've ever seen. Either they are genetically modified giant stock, or they are being watered and watered and watered to establish a rate of water usage far exceeding anything needed for normal vineyards. For that reason, the Board should make metering and reporting of water usage part of the interim ordinance. Vineyards who truly practice best practices shouldn't be ashamed to share the information with the public.

Finally, any request for exemption based on vested rights should be a public process with public comment allowed, so as to avoid even the appearance of "back room" dealings or inadequate vetting by staff.

Thank you for your consideration.  
Daniella Sapriel  
Templeton



Thomas M. Duggan  
Linda Somers Smith  
Jane E. Heath  
Janet L. Wallace

**RECEIVED**

SEP 30 2013

Of Counsel:  
Richard N. Racouillat  
Timothy A. Dolan

**Board of Supervisors  
San Luis Obispo County**

*Address* San Luis Obispo, CA 93401  
*Web* www.dshlawfirm.com

Client: SA0974.001

September 30, 2013

By Email and Hand Delivery  
bgibson@co.slo.ca.us  
fmecham@co.slo.ca.us  
ahill@co.slo.ca.us  
darnold@co.slo.ca.us

San Luis Obispo County Board of Supervisors  
Chairman Bruce Gibson  
Supervisor Frank Mecham  
Supervisor Adam Hill  
Supervisor Debbie Arnold  
Board of Supervisors Chambers  
1055 Monterey Street D170  
San Luis Obispo, CA 93401

Re: Proposed Resolution Regarding Vested Rights and Extension of Urgency  
Ordinance No. 3246

Dear Supervisors:

This office represents various property owners whose properties overlay the Paso Robles Groundwater Basin. We are writing to urge the Board of Supervisors to consider several factors prior to passing the Resolution Regarding Vested Rights (Resolution) as drafted, and also to reconsider the Urgency Ordinance Extension Ordinance (Extension Ordinance), both of which are issues scheduled for the Board's consideration on October 1, 2013.

We acknowledge there are significant water resource concerns with the Paso Water Groundwater Basin that have been many years in the making and do not dispute that the issues require attention. Use of the County's police power, however, to propose urgency legislation without additional consideration of the immediate and long-term impacts on both the local economy and property rights, does not solve the problem and risks unintended consequences. We do not suggest that the Board take no action, but believe the Board should take additional time to consider the impacts of its decision as well as time to fully consider the uncharted vesting criteria. The Board should direct staff to draft language that is less reactionary to a specific perceived threat (vineyards) and does not ensnare property owners with vested rights outside the County's proposed narrow definition. An inability to legally single out vineyards for the moratorium should not foreclose other options that allow continued development, both agricultural and residential, in the Paso Robles area.

Agenda Item No: 14 • Meeting Date: October 1, 2013  
Presented By: Linda Somers Smith  
Rec'd prior to the meeting & posted on: September 30, 2013

EACH SUPERVISOR  
RECEIVED COPY

The substance of Urgency Ordinance No. 3246 (Urgency Ordinance) and the Resolution, collectively, have not been given sufficient consideration to merit the Board's approval nor their adoption as law for an additional two years. The Urgency Ordinance and the Resolution, as written, deprive both new and long standing landowners of the use of their property. Both presume that any new agricultural use of water in the Paso Robles Groundwater Basin area will be so significant that its harm to property owners with plans to develop their properties, even for residential use, outweighs any benefits to the community. This, in effect, gives complete deference to existing water users while failing to evaluate if existing use is reasonable, beneficial, and/or a major contributor to the water shortage.

Regardless of whether the Board approves the Extension Ordinance, the criteria set out in the Resolution for obtaining a vested right requires additional input and consideration if it is going to survive legal challenge. As a baseline, the language is so obviously drafted to address vineyard development, that unless modified, it may risk a Constitutional challenge. From a business perspective, the criteria required to obtain a vested right, though not themselves problematic, fail by virtue of what they exclude.

The proposed three prong test, in addition to singling out vineyard use, does not take into account business realities or the legal nature of a vested right. The County is charting new legal territory here. It therefore serves the public interest to ensure any criteria defining what qualifies as a vested right is fully vetted. Instead, the County has limited the scope of a vested right so severely that litigation is the likely result. A more considered approach upfront will both clarify and align the vested right analysis with current law thereby avoiding unnecessary litigation if adopted.

New, undeveloped agriculture parcels are often part of a comprehensive business plan. Farmers prepare and plant in phases in order to address agricultural financing and labor supply. By requiring 100 percent of the area be fully prepared for planting and 50 percent of irrigation infrastructure be installed, the County presumes that farmers are investing time and money on only one parcel at a time. This is rarely the case. Under the proposed scheme, many farmers who have made substantial investments in establishing an irrigated crop will be denied a vested right under the proposed criteria, thereby creating a de facto prohibition on all new or expanded irrigated agriculture in a large part of North County. Restrictions on the growth of this industry will have far-reaching economic effects on San Luis Obispo County, with potentially more significant consequences to the local community than those resulting from the water shortage itself. By stifling local agricultural growth, demand for such agriculture will be met instead by counties in other parts of California. That would be devastating to San Luis Obispo County's agriculture economy.

The preeminent vested rights case in California takes a more balanced approach than the County's proposed ordinance, by focusing on both the issuance of a permit and the amount an applicant has expended on the proposed project.<sup>1</sup> The vested rights criteria in the Resolution take a hardline approach that fails to balance the different expenditures farmers may have depending on the type of crop they grow and their overall business plan. Such inflexible criteria is effectively penalizing the irrigated agriculture industry for the inherent nature of its business; it

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<sup>1</sup> See *Avco Community Developers, Inc. v. South Coast Regional Com.*, 17 Cal.3d 785 (1976).

does not consider the significant commitments that can be made toward establishment of an irrigated crop that are not included in the County's proposed definition of a vested right.

In order to better address the nature of doing business in the agriculture industry, the County should consider the following examples in revising the vested rights criteria:

First, because San Luis Obispo County does not require a permit for planting irrigated agriculture, the criteria should include language weighing in favor of a vested right if an applicant has secured a well permit. By obtaining a well permit and drilling a well, an applicant is demonstrating a major step toward establishing an irrigated crop. Additionally, the applicant's efforts are consistent with the case law's permit requirement for a vested right and with securing an overlying groundwater right.

Second, by focusing the criteria for a vested right so narrowly on land preparation and irrigation, the Resolution fails to consider other expenditures that farmers face, such as the cost of surveys, biological assessments required by permitting agencies, and clearing trees. Additionally, farmers often must first secure a lease for the land. When farmers cannot meet the vested rights criteria and are unable to terminate their leases without penalty, they will be forced to pay rent for land that neither they, nor anyone else, can farm. These expenditures cannot be ignored and should be taken into consideration by the County when constructing criteria to determine vested rights.

Third, the Resolution does not take into account contracts between grape farmers and the wineries to which they supply grapes. Such contracts frequently contain liquidated damages clauses that farmers must pay if they are unable to supply the grapes specified in the contract. Such liquidated damages clauses are enforced against grape framers because the grapes contracted for are often irreplaceable, as wineries specify the acceptable range of brix and pH they require for the contracted variety that particular year. In particular microclimates, grape contracts may be entered into for vineyards not even planted yet.

In addition to the vested rights criteria in the Resolution, the Urgency Ordinance does not take into account the superior rights of overlying water users over appropriative users. Appropriators have the right to pump water surplus only after overlying users have taken their reasonable share; thus, appropriative users must yield to that of the overlying owner in the event of a shortage.<sup>2</sup> The California Supreme Court has held that water rights priorities must be considered when enacting solutions allocating groundwater use.<sup>3</sup> In this situation, the County is allocating groundwater only to existing users without accounting for water right priorities.

Governments cannot simply allocate water rights without consideration as to existing water rights, as the County has proposed here. The Urgency Ordinance will allow existing water users, some of which are subordinate appropriative users, to continue unregulated water use while restricting the rights of overlying users with existing wells merely because these overlying users cannot meet hastily drafted vested right criteria aimed at one type of water user. Instead, the California Constitution's Reasonable Use Doctrine requires that, if the groundwater supply is insufficient for all needs, each user is entitled to a fair and just proportion of the water.<sup>4</sup> The

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<sup>2</sup> City of Barstow v. Mojave Water Agency, 99 Cal. Rptr. 2d 294, 305 (Cal. 2000).

<sup>3</sup> City of Barstow v. Mojave Water Agency, 99 Cal. Rptr. 2d 294, 312 (Cal. 2000).

<sup>4</sup> Cal Const, Art. X § 2.

County cannot take away an overlying landowner's right to use his pro rata share of the groundwater.

Moreover, the Urgency Ordinance proposes to deprive overlying landowners of their due process right to groundwater use. A *de facto* prohibition on all new or expanded irrigated agriculture of the Paso Robles Groundwater Basin completely restricts overlying landowners' rights to entitled water without a hearing. While landowners may apply for exemptions under the Urgency Ordinance, this opportunity to be heard occurs only after the County has deprived them of their legal interests in groundwater.

Lastly, despite the general requirement that three-fifths of the Board must vote to approve a resolution, this particular Resolution should require a four-fifths vote for adoption. Unlike most resolutions passed by the Board, this particular Resolution does not stand alone; instead it serves to interpret and clarify Urgency Ordinance No. 3246, an ordinance that required a four-fifths supermajority for adoption.

We urge the Board of Supervisors to vote against both the Resolution and the Extension Ordinance. Instead, the Board should request that County staff reassess the criteria set out in the Resolution and develop more thoughtful criteria that account for the business realities of the agriculture industry, groundwater rights priorities, and due process rights of the community's local farmers.

Very truly yours,

DUGGAN SMITH & HEATH LLP



LINDA SOMERS SMITH

LSS:cet



**Fw: Paso Water Ordinance**

**Debbie Arnold** to: cr\_board\_clerk Clerk Recorder

09/30/2013 02:35 PM

**Debbie Arnold**  
Supervisor, 5th District  
San Luis Obispo County  
(805) 781-4339

----- Forwarded by Debbie Arnold/BOS/COSLO on 09/30/2013 02:35 PM -----

From: David Boyer <[dbslora@gmail.com](mailto:dbslora@gmail.com)>  
To: [darnold@co.slo.ca.us](mailto:darnold@co.slo.ca.us)  
Date: 09/30/2013 02:28 PM  
Subject: Re: Paso Water Ordinance

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----- Forwarded message -----

From: <[dboyer@co.slo.ca.us](mailto:dboyer@co.slo.ca.us)>  
Date: Sep 30, 2013 12:56 PM  
Subject:  
To: "David Boyer" <[dbslora@gmail.com](mailto:dbslora@gmail.com)>  
Cc:

Dear Supervisor,

I am writing to express my disappointment with the Paso Basin Emergency ordinance .

My home is located within the basin, on South River Road between Charolais and Neal Springs. As a side note, four weeks ago, we had our well pump replaced and Miller Drilling found NO drop in our water level. Sometime after I bought my home in 2005, my parents bought the two 5-acre lots next to mine with the intent of building a barn on one and building a house for themselves on the other. They paid a premium for these lots, about \$400k a piece. Both lots came with a well already installed and onerous conditions on development--no secondary units, building envelopes, etc. It's only in the past few months, now that they've been able to sell their current home that they can move-on with planning how to develop these lots. But, now, this new ordinance essentially prohibits them from building a new home because the language of this ordinance applies to any development dependent on a well, regardless of whether a well is installed already or not. So, the County expects them to put their plans on hold while we watch at least four new homes being built across the road in Santa Ysabel, where development continues to be allowed because they are served by a water system--which is still well-water. In my mind, this ordinance is so unfair. It's the sort of obfuscation of property rights you would expect in a banana republic, but not here. It's my hope that this ordinance will be revised to protect the investment, people like my parents, have made in the North County, in property with wells already installed and sold with the intention they would be developed.

Thank you,

David Boyer

[Scanned @[co.slo.ca.us](http://co.slo.ca.us)]

**Fw: Paso Robles Groundwater Info**

**Bruce Gibson** to: Catrina Christensen, Annette Ramirez  
 Sent by: **Cherie Aispuro**

09/30/2013 12:57 PM

fyi

----- Forwarded by Cherie Aispuro/BOS/COSLO on 09/30/2013 12:57 PM -----

From: Jennifer Soni <jsrose06@yahoo.com>  
 To: "fmecham@co.slo.ca.us" <fmecham@co.slo.ca.us>, "ahill@co.slo.ca.us" <ahill@co.slo.ca.us>, "darnold@co.slo.ca.us" <darnold@co.slo.ca.us>  
 Cc: "bgibson@co.slo.ca.us" <bgibson@co.slo.ca.us>  
 Date: 09/30/2013 12:43 PM  
 Subject: Re: Paso Robles Groundwater Info

**From:** Jennifer Soni <jsrose06@yahoo.com>  
**To:** "fmecham@co.slo.ca.us" <fmecham@co.slo.ca.us>; "ahill@co.slo.ca.us" <ahill@co.slo.ca.us>; "darnold@co.slo.ca.us" <darnold@co.slo.ca.us>  
**Cc:** "bgibson@co.slo.ca.us" <bgibson@co.slo.ca.us>; "jsrose06@yahoo.com" <jsrose06@yahoo.com>  
**Sent:** Monday, September 30, 2013 12:40 PM  
**Subject:** Fw: Paso Robles Groundwater Info  
 To: Frank Mecham, Debbie Arnold, Bruce Gibson, and Adam Hi..  
 From: Jennifer Soni  
 Subject; Groundwater Basin meeting/ 7320 Cross Canyons Road,etc.

Il have attached a letter for the Board's review and shall be attending the meeting on Tuesday the 1st of October. I request time to present my letter and answer any questions that you might wish to ask.

Thank you for your time and consideration.

Cordially,  
 Jennifer Soni

<http://www.sanluisobispo.com/2013/08/27/2654250/emergency-paso-groundwater-ordinance.html>

Contact Details for the board members: County # (805) 781-5450

- District 1 Frank Mecham [fmecham@co.slo.ca.us](mailto:fmecham@co.slo.ca.us)
- District 2 Bruce Gibson [bgibson@co.slo.ca.us](mailto:bgibson@co.slo.ca.us)
- District 3 Adam Hill [ahill@co.slo.ca.us](mailto:ahill@co.slo.ca.us)
- District 4 vacant
- District 5 Debbie Arnold [darnold@co.slo.ca.us](mailto:darnold@co.slo.ca.us)



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Government meetings in SLO County the week of 9/30

## Supervisors approve emergency Paso groundwater ordinance

Published: August 27, 2013

Ordinance prohibits new development or the planting of irrigated crops unless water use can be offset on a 1-1 ratio.

By David Sneed — [dsneed@thetribunenews.com](mailto:dsneed@thetribunenews.com)

After a contentious daylong hearing, San Luis Obispo County supervisors Tuesday approved an emergency ordinance that prohibits new development or the planting of irrigated crops within the Paso Robles groundwater basin unless water use can be offset on a 1-1 ratio.

The move was intended to stop demand for water from the basin, where aquifer levels have fallen 70 feet or more over the past 16 years. The emergency ordinance will be good for 45 days but can be extended for up to two years.

"We've got to draw the line here," Supervisor Bruce Gibson said.

All four supervisors had to approve the emergency ordinance for it to pass, leading to the long struggle to reach a consensus.

The specifics of the emergency ordinance are:

- All new water use in the basin will have to be offset in a 1-1 ratio. This was a point of contention among the supervisors. Supervisors Gibson and Adam Hill wanted a 2-1 offset, but Supervisors Frank Mecham and Debbie Arnold refused.
- The ordinance applies to the entire groundwater basin with the exception of those areas served by the San Miguel Community Services District and the Shandon County Services Area, which manage their own water use.
- No new restrictions were placed on agricultural ponds. Supervisors determined that a moratorium on such ponds was not needed because they can be regulated through existing county grading permits.
- New irrigation wells must be metered and monitored to track water use.

Arnold was at first reluctant to approve the ordinance, citing concerns about the effects that it would have on the wine industry. However, the other three supervisors were steadfast in passing it, and she eventually agreed.

The moratorium does not apply to residents who are replacing old wells that have gone dry.

The supervisors, who deliberated for more than 11 hours, also [approved a waiver of county fees for replacement wells](#) to help rural homeowners whose wells have gone dry. That move is expected to save a homeowner \$857 in fees.

Agenda Item No: 14 • Meeting Date: October 1, 2013  
Presented By: Jennifer Soni  
Rec'd prior to the meeting & posted on: September 30, 2013

Supervisors also directed Public Works staff to come back in 45 days when the emergency ordinance expires with recommendations for forming a water management district of some kind that would equitably allocate water within the basin to avoid lawsuits.

"Unless people can come together, this is going to end up in an adjudicated process," Mecham said.

The hearing featured hours of public comment from an estimated 75 speakers who came down on both sides of the issue of an emergency ordinance. About half of the speakers, many of them rural homeowners, said the emergency ordinance was needed to stop the groundwater depletion and give county leaders a chance to find a permanent solution.

"We are here because we seek to protect the place we love," said Joy Sprague of rural Paso Robles.

Critics of the ordinance said it was premature and would have unintended consequences, such as hurting home values and stifling the North County's thriving wine and tourism industry.

## A look at the basin

These maps provided by the San Luis Obispo County Department of Public Works show how aquifer levels in the Paso Robles groundwater basin have dropped. The first map shows the change in groundwater elevation from 1997 to 2013; the second shows the change from 1997 to 2009.

[Change in Paso Robles groundwater basin elevation](#)

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**Garage, car destroyed in fire early Friday in Los Osos**

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**Government meetings in SLO County the week of 9/30**

## Join The Conversation

The Tribune is pleased to provide this opportunity to share information, experiences and observations about what's in the news. Some of the comments may be reprinted elsewhere in the site or in the newspaper. We encourage lively, open debate on the issues of the day, and ask that you refrain from profanity, hate speech, personal comments and remarks that are off point. Thank you for taking the time to offer your thoughts.

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Agenda Item No: 14 • Meeting Date: October 1, 2013

Presented By: Jennifer Soni

Rec'd prior to the meeting & posted on: September 30, 2013

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JENNIFER SONI

San Miguel, CA 93451  
jsrose06@yahoo.com

DT: Monday, September 30, 2013

RE: Exemption to the Water/Planting Moratorium in the Paso Robles Water Basin

TO: Frank Mecham, Judy Arnold, Bruce Gibson, and Adam Hill,

My name is Jennifer Soni, and I am the resident owner of a 120-acre vineyard property at 7320 Cross Canyons Road. I have owned and lived on the property since the early 1990's. My property is in the Williamson Act, and includes an award-winning, 40-acre, Cabernet Sauvignon vineyard planted over 40 years ago, a 2,300 square foot home, a barn, and approximately 70 arable acres that have been ripped for planting but currently remain unplanted.

For several years, I have deliberated about whether or not to sell my property. The decision has been a difficult one to make because I dearly love my home and vineyard. Late last year, before the emergency moratorium, I made the decision to place my property on the market. The deciding factors were the current drought conditions, the continued residential growth of Paso Robles, and the drop of the water table leaving me with too little water to irrigate both my vineyard and my roses. To provide the water I need and insure adequate irrigation water for the cultivation of the remaining arable land on my property, a new, 1,000-foot well was installed.

At the same time, and much to my dismay, I became aware of the clearing, planting, and cultivation of vast amounts of land on Cross Canyons Road. Considering the diminished availability of water, the amount of acreage involved in this very recent surge of cultivation is truly staggering to behold. Nevertheless, I reassured myself that those in county government charged with managing the water table beneath my property must have the situation well in hand. After all, what else would they be doing other than protecting this important resource, and protecting the livelihood of farmers like me?

I am concerned for the welfare of small, boutique vineyard owners like myself who have lived on our property for decades. Through the years, we have worked diligently to produce wine that is a credit to this appellation. Now our lives, livelihoods, and futures all hang in the balance. If the moratorium is extended for farmers like myself, it will severely restrict the full agricultural development of our land *and* thereby greatly diminish the market value of our property. We will be trapped on our land while vast, new developments are allowed by those charged with protecting us to suck all the water from beneath our feet.

My request is that the members of the Board have some even-minded empathy and compassion for me and others by excluding from this moratorium those who have worked small, boutique vineyards for decades. We worked this land and made this appellation what it is today. Such exclusion might stipulate that small boutique vineyard owners be permitted to plant up to 100 acres of their property during this moratorium.

It is my firm belief that such an exclusion should have been anticipated before permits were issued allowing thousands of new acres to be cleared, ripped, and planted, and that the impact of this exclusion will be no greater than a small fraction of the impact of future residential development in the Paso Robles water basin. Conversely, restricting the highest and best use of the property we have toiled on all these years while allowing thousands of new acres to be cultivated and new residential development to take place is grossly unfair.

As the body charged in public trust with the management of this most important natural resource, I ask that you provide me with answers the following six questions:

1. Why have new and/or existing property owners been issued permits to plant *vast new areas* of land in and around San Miguel during a period when the water table is well-known to be steadily dropping?
2. Why has no one under your authority interviewed me (and other small vineyard owners) to determine present and future usage *before* issuing permits for these vast, new, first-time plantings?

3. After owning a vineyard on Cross Canyons Road and working for 21 years in viticulture, will I be allowed to plant the remaining acres of my land ?
4. Will there be water in the table to irrigate my relatively modest expansion or at the very least, my current vineyard and water for my home now that the Board has permitted the expansion of *vast new acreage* on Cross Canyons Road and other areas served by the Paso Robles water table?
5. If answers to the previous two questions cannot be given in the affirmative, then what restrains the Board from resending all permits issued during the last 24 months allowing new planting on large parcels until affirmative answers can be confidently given to these questions?
6. If the Board cannot provide me with affirmative answers to questions #3 and #4 above, then who will bear the responsibility for the financial damage done to me and others in similar circumstances resulting from the lost productivity and market value of our property?

I would appreciate answers to these questions at your earliest convenience.

Respectfully,

Jennifer Soni, Owner

San Miguel, CA 93451

[Jsrose06@yahoo.com](mailto:Jsrose06@yahoo.com)



**Fw: Customer Satisfaction Survey (response #100)**

**Catrina Christensen** to: Board of Supervisors and all staff, Annette Ramirez,  
Kami Griffin

09/30/2013 03:36 PM

Catrina Christensen  
Division Supervisor  
(805) 781-5225

**Website:** [www.SLOvote.com](http://www.SLOvote.com)

**Like Us:** [www.facebook.com/slocountyclerkrec](http://www.facebook.com/slocountyclerkrec)

**Follow Us:** [www.twitter.com/slocountyclerk](http://www.twitter.com/slocountyclerk)

----- Original Message -----

From : "Internet Webmaster" <webmaster@co.slo.ca.us>  
To : "jrodewald@co.slo.ca.us" <jrodewald@co.slo.ca.us>  
Cc :  
Sent on : 09/26 05:49:39 AM PDT  
Subject : Customer Satisfaction Survey (response #100)

# Customer Satisfaction Survey (response #100)

## Survey Information

Site: County of SLO  
Page Title: Customer Satisfaction Survey  
URL: [http://www.slocounty.ca.gov/clerk/Customer\\_Satisfaction\\_Survey.htm](http://www.slocounty.ca.gov/clerk/Customer_Satisfaction_Survey.htm)  
Submission Time/Date: 9/26/2013 5:49:32 AM

## Survey Response

I visited the County  
Clerk-Recorder's web site for: General information

Other

I was satisfied with the site content.

Yes

I was able to find the information I needed without further contact.

No

Additional Comments:

Hello, my name is Shawn Mathis and I'm reaching out in regards to your winery water problem and I would like to find the correct way to send information that could lead to a little less water needed: Whether or not you farm the more traditional "corn – winter wheat – soybean" or production crops such as vegetables, fruits and berries or small grains or forage crops, the Nutriplant products and APSA-80 are used in farming to significantly 'Increase some of these unique Industry Benefits are: (1) very high antioxidant activity (2) its micronutrients are chelated with an organic plant matter mixture composed of amino acids, carbohydrates, etc... (3) has a smaller molecular structure which allows the plants to absorb it within hours (4) more root mass and root hairs to promote faster emergence and increased water and nutrient uptake (5) highly concentrated which means that you use less amounts of product which translates to lower/cost per application

If you would like to be contacted by a supervisor please provide us with your name and E-mail address. If you want to be contacted by phone provide that number also.

Shawn Mathis

Knia500@hotmail.com

To: Board of Supervisors # 781-1350  
From: Kathleen "Cookie" Heilman Saffell

Dear Supervisors, Arnold, Mechem, Hill, + Gibson,

I am a lifetime resident of SLO County. My father, myself, my children, and grandchildren were all born here and resided in Creston.

I've lived on my property for 44 years and never had water issues. I live in what has always been a "good water area", just south of Creston proper, with a river on either side.

Some years ago, a vineyard was planted on the hills behind me. I am also surrounded by alfalfa fields that were irrigated in 100+ weather, oblivious to the ~~eva~~poration and waste of water. Down the road, a new vineyard was planted and peppers, as well. On Sept. 20<sup>±</sup> my pump started to suck air instead of water. Fortunately I was home and shut my pump off saving it from burning up. I know I am among the lucky, as I was able to lower my pump 40' and get water again. Who knows how long that will last? I've always known that water is the lifeblood of most living things. Now we have to choose between humans and plants I would think conscience would dictate that human life is more precious. But, it seems greed overrides conscience in many.

I ask that you extend the urgency ordinance for the maximum amount of time, while a management structure is put in place to address the PR Groundwater Basin issues.

Also, please adopt the strictest definition of vested rights, plants in the ground on Aug. 27<sup>th</sup>. I also oppose a CA Water District, as it does not fairly represent all overlayers of the basin, but puts all power in the hands of a few, based upon wealth and influence. It shouldn't matter if one owns 5, 10, or 100s of acres. A landowner is a landowner; the family on 5 acres loves their home, pays taxes, and contributes, perhaps in ways the owner of 100s doesn't. I understand that many of the largest land/vineyard owners don't even reside in our county.

So, I ask you please to represent all of us and be known as the board who voted for the survival of people over vines and other plantings.

I've been aware of our increasing water problem for years. I try to attend the CAB meetings to better educate myself. I've heard some desperate people wondering where to turn when they have no water, thus worthless property, and not enough money to start over. Some are elderly and on fixed incomes and lifelong residents of SLO County; it's heartbreaking. Maybe unt. you turn on your faucet and nothing comes out, you can't fully appreciate what they're going through. Maybe everyone should try going a

Week with no water to be able to  
relate. The real liquid gold is WATER  
Please vote to save ours.

Respectfully Yours,  
Kathleen "Cookie" Heilman Saffell  
P.O. Box 104  
Creston, CA 93432